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7 August 1996

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Daily Report
East Asia

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Japan

Japan: Kodak Files Complaint With FTC Over Film Market

OW0708122096 Tokyo KYODO in English 1158 GMT 7 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — Eastman Kodak Co. of the United States said Wednesday it has filed a complaint with the Japanese Fair Trade Commission (FTC) against what it considers anticompetitive practices in the Japanese photographic film and paper market.

Kodak called for "enforcement action" against anticompetitive practices under Article 41 of the Antimonopoly Law, which stipulates companies can ask the FTC to investigate acts suspected of violating the law and take necessary remedial steps.

The U.S. film maker has long blamed Fuji Photo Film Co., which controls some 70 percent of the Japanese film market, for using anticompetitive practices to prevent its access to local consumers.

The company provided the antitrust watchdog with evidence to back its complaint, noting that it is "only a small part of the information that has been developed in support of the market access case against the Japanese Government."

Kodak's action follows a complaint the U.S. Government lodged with the Geneva-based World Trade Organization (WTO) in June about the closed nature of the Japanese market.

Japan and the U.S. have held bilateral talks under the WTO's dispute settlement procedure to discuss a Japanese law regulating the opening of large retail outlets and other systems which Washington says is blocking foreign access to the market.

The U.S. also urges Japan to accept separate bilateral talks on restrictive business practices in the Japanese market, arguing such consultations are warranted under a 1960 decision by contracting parties of the General Agreement on Tariffs and Trade.

Kodak said further evidence regarding anticompetitive business practices in Japan will be provided when the two governments hold talks on restrictive practices.

Japan: Hashimoto Gives 'Warning' to Barshefsky on Chip Accord

OW0708004796 Tokyo YOMIURI SHIMBUN in Japanese 6 Aug 96 p 6

[FBIS Translated Text] Regarding the semiconductor negotiations on which the Japanese and U.S. Governments have agreed, Prime Minister Ryutaro Hashimoto said on 5 August: "If the United States says it can conduct a survey (on the foreign chip share of the Japanese market), Japan should also be allowed to do the same thing. That is the way a bilateral agreement should be." Hashimoto's remarks served as a warning to acting U.S. Trade Representative Charlene Barshefsky's mentioning the share survey, which was not incorporated in the semiconductor agreement, at a news conference held after the two countries reached an agreement.

Japan: MITI Chief Says Chip Accord Not Excluding EU

OW0708062996 Tokyo KYODO in English 1444 GMT 7 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — International Trade and Industry Minister Shumpei Tsukahara denied Wednesday a possible interpretation that the semiconductor agreement Japan and the United States struck last week in Vancouver, Canada, contains some parts that exclude the European Union.

"The EU will be able to immediately join a multigovernmental body to discuss semiconductor chip trade and also be able to take part in a private-sector council that will be created by Japanese and U.S. industries, if they abolish customs duties on microchips," Tsukahara told a press conference.

"I will seek the EU's understanding of the agreement at a September meeting of quadrilateral trade ministers," Tsukahara said.

He was apparently referring to a phrase in the joint agreement that says, "Both governments affirm their intention...to establish a consultative mechanism" to discuss chip trade issues.

Japan: Text of EIAJ-SIA Accord on Chip Trade

OW0708032696 (Internet) Electronic Industries Association of Japan WWW in English 2 Aug 96

[FBIS Transcribed Text]**AGREEMENT BETWEEN EIAJ [Electronic Industries Association of Japan] AND SIA [Semiconductor Industry Association] ON INTERNATIONAL COOPERATION REGARDING SEMICONDUCTORS August 2, 1996 Vancouver, Canada**

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1. INTRODUCTION

SIA and EIAJ share a common recognition of the recent structural changes in the world semiconductor industry and markets, as well as the increasing importance of the world semiconductor industry in both technological and economic terms in advancing the information age. Expanding worldwide semiconductor usage is one of the keys to future progress in social and economic spheres around the globe. The increasing globalization of the semiconductor sector raises important issues that must be addressed effectively.

The world semiconductor business has greatly expanded beyond historical markets. Globalization is taking place on the demand side in the semiconductor sector, as well as on the supply side. While the Japanese and U.S. markets are the two largest markets today and will remain the two critical centers for research, development and design of new semiconductor products, new markets for semiconductors are developing, especially in the rest of Asia, which is expected to comprise 25 percent of the world market by the end of the century.

World production in this sector now exceeds $150 billion annually and could double again by the year 2000. Semiconductors are a core technology for 21st Century. Semiconductor research and development and manufacturing, along with the use of semiconductors in an increasingly wide range of products, has a significant impact on national and global economies.

Accordingly, the industries have agreed to create a Semiconductor Council (Council). The Council's purpose will be to enhance mutual understanding, to address market access matters, to promote cooperative industry activities, and to expand international cooperation in the semiconductor sector in order to facilitate the healthy growth of the industry from a long-term, global perspective.

The activities of the Council should be based on respect for market principles. The competitiveness of companies and their workers should be the principal determinant of industrial success and international trade. Markets should be open to allow private companies and workers to derive the benefits of their competitiveness and efforts. Markets should be open and competitive, without discrimination based on capital affiliation, and with purchasing decisions based on quality, cost, delivery, and service.

II. COOPERATIVE ACTIVITIES

A. Cooperative Activities Between Users and Suppliers

Because of the structural changes in consumption based on increased demand for personal computers, increasingly sophisticated and digital consumer electronics and mobile telecommunications equipment, semiconductors regardless of their nationality have increasingly become indispensable components.

At the same time, Japanese users have actively promoted design-in activities with suppliers around the world, and the seeking of competitive products regardless of nationality which meet required standards for quality, cost, delivery, and service (QCDS). This process contributes to the building of mutual interdependence between users and suppliers in a manner that is beneficial to both sides.

U.S. semiconductor suppliers have likewise made extraordinary efforts to serve the Japanese customer base and provide competitive products that meet Japanese needs.

The industries believe that these activities will help users find new opportunities to work with foreign suppliers to develop new markets and new products, and will also strengthen industry cooperation.

These activities will include meetings of the Steering Committee to provide for an exchange of views on the overall situation and outlook on market opportunities and trends and industry cooperation as well as reports developed by any of its subcommittees or task forces, the development of new industry initiatives to overcome problems and/or seize new market opportunities, and provision of periodic informational reports to the governments.

The mutually agreed-upon cooperative activities in the Japanese market by industry associations, such as seminars, exhibitions, one-on-one meetings, and the like, will be continued. The activities include cooperation through subcommittees such as automotive semiconductors, telecom semiconductors, and emerging applications of semiconductors, as defined by the Steering Committee (STC). The industries would implement the ongoing activities, as judged to be necessary and appropriate; with new activities considered based on deliberations of the STC and existing activities terminated as their objectives are achieved. The Users Committee (UCOM) and its activities will be continued for a period of three years.

The industries would also make recommendations to the International Semiconductor Cooperation Center (INSEC) Board regarding how the joint activities of the industries and of INSEC could be more efficiently pursued.

Given the globalization of the semiconductor market, these types of cooperative activities should take place in every major region of the world.

These activities at the association level would be in addition to the activities already being undertaken by individual companies on a company-to-company basis.

B. Cooperative Activities Among Suppliers

Industries should engage in cooperative activities in a variety of areas.

(1) Standardization

In the semiconductor industry, technological innovation has brought about advances in manufacturing technology and, at the same time, massive increases in the investment necessary to create new production facilities. It is important to increase the efficiency of new investments, to the maximum extent possible, in order to sustain the growth and vitality of the industry, by developing standards for next generation wafer processing equipment for the 300 mm wafer is currently underway.

Open international standards should be created for manufacturing technology for the next generation of semiconductor products through an active international exchange of technological information.

(2) Environment, Worker Health and Safety

The industries should cooperate in promoting worker health and safety and developing environmentally compatible manufacturing processes. In order to ensure that industry development is consistent with environmental concerns, studies should be considered regarding environmental issues, such as the impact on the environment, if any, of various semiconductor manufacturing chemicals and processes. Further ways to use energy and water most efficiently should also be studied.

(3) Intellectual Property Right

Information exchange and discussion should be held between the industries regarding the rules and appropriate protection of intellectual property rights for semiconductors in world markets. The discussion should be held on a country-by-country basis from a business person's viewpoint.

(4) Trade and Investment Liberalization

The industries should cooperate to develop recommendations for their respective governments aimed at eliminating tariffs and removing other barriers to trade and investment in the semiconductor sector.

(5) Market Development

The industries should work together to implement ideas to expand current markets and develop new markets worldwide for semiconductors and electronic equipment.

III. ANALYSIS OF SEMICONDUCTOR MARKET AND TRADE FLOW DATA

The semiconductor industry has become increasingly complex and diverse as a result of its globalization. To be in a position to promote the healthy development of the world semiconductor industry, it is essential to understand the composition and structure of world semiconductor markets and global semiconductor trade flows and to provide member companies, governments and the public with timely and accurate information.

The purpose of this analysis is not to crate numerical targets, but instead to assess trends, better comprehend market dynamics, and promote deeper understanding. No one piece of data will be determinative of the assessment of market developments.

To further the purposes of the Council, industry experts will prepare and provide to member companies and governments quarterly market/trade flow reports. The industry experts will seek to prepare joint reports, but the industries reserve the right to prepare and distribute separate reports. The reports will include data on market size, market growth, and market shares of foreign semiconductor products in Council member markets and other major semiconductor markets.

The reports would be based on: - import/export statistics, - industry surveys such as WSTS and Dataquest, - government data, - and other available data.

The reports would also include information from other available data on qualitative elements such as design-ins, joint ventures, long term and other cooperative relationships, and other factors relevant to the long term evolution of the industry.

IV. ORGANIZATION OF SEMICONDUCTOR COUNCIL

The activities described in Parts II and III shall, in principle, be carried out within the context of the Council.

The Council would meet at least once a year at a senior executive level. In addition, the Council will create a joint steering committee, composed of industry experts that would meet periodically as appropriate.

A preparatory committee should be created immediately by the industry associations to work out the details of the Council's methods of operation.

Other semiconductor industry associations would be eligible to join the Council on the condition that the country where the association is located meets one of two requirements:

(i) All tariffs on semiconductors have been eliminated; or

(ii) The country has committed that all tariffs on semiconductors will be expeditiously eliminated or has suspended these tariffs pending formal tariff elimination.

V. RELATIONSHIP BETWEEN THE COUNCIL AND THE GOVERNMENTS

In addition to the quarterly reports in Part III provided to the governments, each industry association will regularly advise its government of activities undertaken on a cooperative basis and, as appropriate, make policy recommendations on issues of concern.

VI. ANTIDUMPING

The industries recognize the importance of avoiding injurious dumping consistent with national laws.

VII. CONSISTENCY WITH NATIONAL LAWS

All cooperative activities must be implemented in full conformity with the laws of each country, including antitrust laws.

VIII. OTHER

This agreement shall be subject to review after three years from the effective date of this agreement and may be terminated, in whole or in part, by mutual agreement by the parties.

Japan: Editorial Terms Bilateral Semiconductor Talks 'Outdated'

OW0608235696 Tokyo SANKEI SHIMBUN in Japanese 4 Aug 96 Morning Edition p 2

[Editorial: "Outdated Japan-U.S. Semiconductor Negotiations"]

[FBIS Translated Text] Japan-U.S. semiconductor talks, which experienced rough sailing, have finally come to an end. Both governments want to set up consultative organs, including multilateral forums for major countries, to discuss measures such as abolishing market barriers. These organs will act as a framework to take the place of the Japan-U.S. Semiconductor Accord, which expired at the end of July. Because of this, we can say that the tinge of managed trade — in which the United States sets a numeric target for the share of foreign-made semiconductors in the Japanese market and imposes sanctions against Japan under Section 301 of the 1974 U.S. Trade Act citing the closed nature of the Japanese market — has weakened considerably.

The Japan-U.S. Semiconductor Accord originated from the issue of dumping Japanese semiconductor memory chips, which flooded the U.S. market. In 1986, the semiconductor accord was introduced as a temporary measure. The term of the accord was five years, but it was extended in 1991 until 31 July, 1996. During this time, the United States, among other things, set a 20 percent share for foreign-made semiconductors in the Japanese market. It was a symbol of the managed trade between the two countries. Moreover, the United States imposed sanctions, which caused damages of 300 million dollars, against Japan.

Meanwhile, the position of Japan and the United States in semiconductor production was reversed over the past 10 years, and the current market share of foreign-made semiconductors in Japan exceeded 30 percent. The initial goal has already been reached. Moreover, South Korean and other Asian semiconductor manufacturers gained competitive power so that an agreement between Japan and the United States alone was no longer meaningful.

Despite the significant changes surrounding the semiconductor world, the United States maintained its unreasonable demands. In addition to calling for an extension of the semiconductor accord, the initial plan of the United States was designed to introduce a bottom line on the market share and demand that Japan maintain the progress attained under the current accord. Moreover, the United States also called for government intervention in the market. This was a call for introduction of a managed trade itself.

We can say that the recent Japan-U.S. negotiations focused on how to handle the issue of government involvement in monitoring market shares and the market itself. As a result of the negotiations, it seems that the survey of the market share for foreign-made semiconductors, which the Japanese and U.S. Governments conducted jointly, will be abolished. Also, the governments will likely be involved only in policy matters, including lowering tariffs through multilateral forums and joint research and development.

Attaining these results is quite natural. Economic globalization is progressing, and semiconductor companies not only in Japan and the United States but also in Europe, the ROK, and Taiwan are promoting joint development, production, and sales of semiconductors. Semiconductor companies are, so to speak, conducting their business activities across borders and becoming multinational corporations. Therefore, an attempt by both the Japanese and U.S. Governments to control multinational corporations is useless. The recent Japan-U.S. semiconductor talks were outdated negotiations.

Japan: U.S. Insurer Files for Mail-Order Auto Insurance Approval

OW0708103896 Tokyo KYODO in English 0932 GMT 7 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — The Japanese branch of American Home Assurance Co. has filed for Finance Ministry approval for mail-order sales of auto insurance, company officials said Wednesday.

The ministry currently insists on face-to-face sales of auto insurance, saying customers should have an opportunity to scrutinize policies.

But, in an unsuccessful attempt to break the impasse in Japan-U.S. insurance trade negotiations, Tokyo offered last month to accept a U.S. request that it allow mail-order sales of the policies and free up auto insurance premiums.

The talks in Vancouver, Canada, broke up last week without agreement.

The U.S. nonlife insurance company filed its request with the Finance Ministry on July 16, after the Japanese proposal was on the table in the bilateral talks.

Mail-order sales would allow insurers to set premiums lower than those of policies sold face-to-face, because there would be no commission for agents, industry sources said.

Mail-order sales would give an advantage to foreign nonlife insurers, which have poor sales networks in Japan, the sources said.

Under Japanese law, the Finance Ministry must announce whether it will approve the request within 90 days.

American Home Assurance is a subsidiary of American International Group Inc., which is said to have connections in the U.S. Government

Beside American Home Assurance, several other foreign insurers are moving to file for approval for mail-order auto insurance services, the sources said.

Japan: U.S. Flagship Makes Port Call at Sasebo Amid Protest

OW0708035596 Tokyo KYODO in English 1022 GMT 7 Aug 96

[FBIS Transcribed Text] NAGASAKI, Aug. 7 KYODO — The U.S. 7th Fleet flagship Blue Ridge made a call at the U.S. naval port of Sasebo in Nagasaki Prefecture, western Japan, Wednesday morning amid protests by peace groups and labor union members.

The 16,790-ton ship was greeted by some 100 U.S. navy staff of the Sasebo base, crew members' families, members of Japan's Maritime Self-Defense Force and local business executives.

Sasebo Mayor Akira Mitsutake did not attend the reception ceremony at the port. He said last week it is not an appropriate time to take part in such a ceremony.

The port call came on the eve of the 51st anniversary of the atomic bombing on Nagasaki, about 50 kilometers south of Sasebo, and weeks after the arrest of a U.S. sailor on suspicion of attempted murder and a robbery of a Japanese woman in Sasebo.

In the sea off the port, some 30 pro-communist labor union members aboard three chartered fishing boats staged a rally in protest against the port call by the Blue Ridge.

They shouted slogans against the port call, the Sasebo base and crimes by U.S. sailors as four Maritime Safety Agency patrol boats watched them. No trouble was reported.

Pro-communist and Social Democratic Party peace groups plan to stage protest rallies at a park in the city later in the day.

A group of survivors of the atomic bombing in Nagasaki Prefecture has issued a statement against the port call.

"The port call timed to coincide with the anniversary is a challenge to residents in a prefecture attacked by an atomic bomb and cannot be allowed at all," the statement said.

The Blue Ridge left its mother port of Yokosuka, southwest of Tokyo, last month and came to Sasebo after visiting the Russian Far East port of Vladivostok to attend a naval parade to mark the tricentennial anniversary of the Russian Navy in late July.

The ship is slated to stay at the Sasebo port until Aug. 10.

Japan: Townspeople Rally Against Relocation of U.S. Heliport

*OW0708101596 Tokyo KYODO in English
0946 GMT 7 Aug 96*

[FBIS Transcribed Text] Naha, Aug. 7 KYODO — The Okinawa prefectural town of Chatan which has been chosen as one of the candidate sites for the transfer of a U.S. military heliport staged a protest rally Wednesday and demanded that plans to relocate the heliport within the prefecture be scrapped.

A resolution adopted at the rally said residents of Chatan, located near Kadena Air Base and some 16 kilometers northeast of Naha, the prefectural capital, are not willing to put up with any further hardships from the U.S. military presence.

"The never-ending row of incidents and accidents linked to military bases and the permanent noise from military planes are already more than our residents can take," the resolution said.

"We strongly protest and demand that the relocation plans be withdrawn, because it would force new sacrifices on the local people whose wishes have been ignored over and over again in the past," it said.

An alliance of town assembly members, the local business community and other organizations headed by Chatan town head Choichi Hentona called the rally, which was also attended by Kiyohide Arakawa, mayor of nearby Okinawa City, about 22 km north of Naha, and Tokujitsu Miyagi, town head of Kadena.

Tokyo Awards Aid to Solomon Islands for Water Supply

*OW0608073596 Tokyo KYODO in English
0651 GMT 6 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 6 KYODO — Japan will grant up to 680 million yen to the Solomon Islands in the southwestern Pacific to help improve the water supply system in the country's capital Honiara, the Foreign Ministry said Tuesday.

Officials of the two countries exchanged documents on the economic assistance in Honiara the same day, the ministry said.

It said the aid will bring the total sum of Japan's grants to the country in fiscal 1996, which began April 1, to 1.87 billion yen.

Japan: EPA Says Economy Continues To Recover Amid Private Demand

*OW0708035796 Tokyo KYODO in English
0910 GMT 7 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — The economy is continuing on a path of mild recovery amid firm private-sector demand, the Economic Planning Agency (EPA) said Wednesday in its monthly economic report.

Bright signs are evident in personal consumption, housing construction and capital investment, prompting a mild upward trend in production, the EPA said.

The report was authorized by Prime Minister Ryutaro Hashimoto's cabinet members in charge of economic issues.

The wording of the overall assessment of the economy was almost unchanged from the language used in the previous report, amid a lack of new factors, an EPA official briefing reporters said.

The only change was in the description of the employment situation, the official said.

The latest report notes "improved developments in some quarters," instead of the "signs of improvement in some quarters" recorded in the preceding report, he said.

The slightly stronger tone was prompted by the improved June ratio of job offers to job seekers, the official said. The seasonally adjusted ratio of 0.71 — or 71 job offers for every 100 job seekers — was the highest since the 0.72 posted in September 1993. "It's a quarter or a half a step forward," the official said.

Other plus factor was the 0.6% month-on-month rise in June in the number of employed people.

The official noted, however, that the job market is still severe, with the jobless rate staying at a record high of 3.5%.

With regard to individual economic indicators, the report said capital investment is "on a pickup trend," a more positive expression than the previous report's "on a mild pickup trend."

This change reflects the bullish corporate projections for capital investment in calendar 1996, the official said.

Corporations in all industries hope to boost capital investment by an average 12.2% from calendar 1995, while manufacturer are looking for an increase of 20.0%.

The figures are optimistic, considering that in calendar 1995, capital investment dropped 2.9% on an all-industry basis and rose only 1.7% in the manufacturing industry.

The official also noted that since private-sector machinery orders rose sharply in April, the projected growth of 4.9% in the April-June quarter is likely to have been realized.

The official noted, however, that there are unstable factors in capital investment, saying weak demand for semiconductors could have a negative effect on capital outlays.

Japan: BOJ Governor on Monetary Policy, Bank Reform Law

OW0708100096 Tokyo KYODO in English
0[illegible]7 GMT 7 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — Bank of Japan (BOJ) Governor Yasuo Matsushita said Wednesday it is necessary for the central bank to continue its present easy monetary stance for the time being to put the economy on a self-sustainable recovery.

"The BOJ has to check various economic indicators for a while in order to have confidence that the economy can continue recovery without policy support by the central bank," Matsushita said at a news conference.

The economy is now at the very important stage in view of whether it can shift to such a "self-sustainable" recovery from the present public demand-led recovery, he said.

"In monetary policy management for now, the BOJ will give priority to ensuring the groundwork for an economic recovery," Matsushita said.

The Bank of Japan has been leaving its official discount rate unchanged at a historic low of 0.5 percent per annum since last September, when the rate charged on central bank loans to commercial banks was cut by half a percentage point.

Assessing the current economic situation, Matsushita said, "Japan's economy remains on a recovery path, and the basis for recovery is expanding."

He added, however, "The recovery's tempo is still only moderate."

Matsushita said public and housing investment remain at high levels, while personal consumption is staging a moderate recovery.

A recovery in corporate capital spending is spreading from major companies and manufacturers to smaller companies and nonmanufacturers, he said.

On the recent sluggishness in the Tokyo stock market, Matsushita said he sees no particular change in market conditions.

Matsushita said the central bank's easy monetary policy is contributing to the economic recovery through various effects, including an improvement in corporate earnings.

Asked about the negative effects of the prolonged easy monetary policy, Matsushita said there is no risk of inflation for the time being. The Bank of Japan, however, will keep a close eye on possible risks stemming from the policy, he said.

On the U.S. economic situation, meanwhile, Matsushita said there are no tangible signs of upward pressure on prices, adding the BOJ will monitor developments there.

Regarding a government panel studying revision of the BOJ Law, Matsushita said he hopes the panel will clarify the purpose and role of the central banking system.

Matsushita said he wants the panel to consider how best to equip the Bank of Japan to cope with changes in economic and financial conditions.

The panel, set up by Prime Minister Ryutaro Hashimoto, held its first meeting last week to discuss increasing the central bank's independence, more than half a century after the BOJ law was enacted in 1942 during World War II.

At the meeting, Matsushita asked the group to address five areas, including securing the independence and neutrality of the central bank and strengthening its policy board.

The BOJ Law gives the finance minister broad authority over the central bank, which is widely regarded as less independent than U.S. and German central banks.

Japan: Government Invokes Stringent Law Against Food Poisoning

OW0608011296 Tokyo KYODO in English
0106 GMT 6 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 6 KYODO — The Health and Welfare Ministry on Tuesday designated the food poisoning caused by the E. Coli O-157 bacteria an infectious disease in paving the way for taking stringent measures to contain the spread of the epidemic.

It is the first time in 20 years to designate an epidemic as infectious under the 1897 Communicable Diseases Prevention Law, which allows authorities to isolate patients and even set up traffic blockades if necessary.

The decision appeared in Tuesday's official gazettes with a notice on the enforcement of the law sent to local governments.

But Health and Welfare Minister Naoto Kan said at a press conference Monday [5 August] the government has decided the law will be partly invoked and patients will not be moved to insolation wards.

It is the first time the government has invoked the law against an epidemic in a such limited manner. [sentence as received]

Kan said the decision is designed to prevent secondary infection and trace the route of the epidemic, which has killed seven people and left more than 9,200 others ill, including more than 6,500 in the western city of Sakai alone.

The series of measures to be taken under the law include regulations of food-handling work by patients and O-157 bacteria carriers as well as sales and use of contaminated food and well water. They also includes mandated inspections into facilities suspected of being contaminated with the bacillus, ministry officials said.

Family members of patients and cooks at schools, hospitals, restaurants and facilities that serve more than 250 meals a day will be required to undergo medical examinations, they said.

The results of these examinations will be sent only to testees to protect their privacy, and a provision of the law requiring the disinfection of the entire home of a patient will be waived, the officials said.

The ministry could ban swimming by patients, but the latest invocation of the law excludes it, they said.

The 1897 law designates 11 deadly diseases as infectious, including cholera, dysentery and typhus, and provides legal measures to prevent them from spreading.

Two more diseases were added on a supplemental list when the ministry declared polio and lassa fever as contagious diseases under the law in 1959 and 1976, respectively.

Because of the outdated nature of the law, the ministry is preparing to rewrite the measure to bring it into line with social changes that have taken place in the past century.

The government will place top priority on eradicating the threat posed by the bacillus, the top government spokesman said in referring to the designation of the poisoning as an infectious disease.

The designation may lead to some restriction of human rights and harm the food and other related industries, but it would be riskier to loosen measures to eradicate the food-poisoning epidemic, Chief Cabinet Secretary Seiroku Kajiyama told reporters.

North Korea

DPRK: 'Useless Clamour' of ROK Over Four-Way Talks Noted

SK0708114596 Pyongyang KCNA in English 1134 GMT 7 Aug 96

["Useless Clamour" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — The South Korean puppets, at a recent ASEAN regional forum meeting in Jakarta, reportedly insisted that the DPRK's accepting the proposed "four-way talks" should be made conditional on its membership of the forum, which was approved by all other member nations.

As for the "four-way talks", they are a matter we will decide on after having explanations from the United States, which proposed the talks. They are not a matter which can be solved by the puppets' solicitation to others.

The ASEAN regional forum is not aimed at discussing the "four-way talks" and the DPRK's joining it has nothing to do with the "talks".

But the puppets raised such a clamour at the meeting, bypassing their master, the U.S. this indicates that they are trying hard to carry out some manoeuvres.

Kim Yong-sam's is a group of traitors who have abused the term of inter-Korean dialogue as a leverage for "cooperation system" against the DPRK.

"Priority to inter-Korean dialogue" was what they cried for when DPRK-U.S. negotiations were under way and DPRK-Japan talks for the normalization of bilateral relations were on the order of the day. Kim Yong-sam has totally blocked the multi-channeled inter-Korean dialogue, which had been held even in the period of the military dictatorial regimes of South Korea and driven relations between the North and the South to the worst phase. His crime cannot hold a candle to illicit accumulation of wealth by Chun Tu-hwan and No Tae-u.

Kim Yong-sam, who has used dialogue as a tool of the anti-North campaign, is the only ruler of South Korea who has no record of inter-Korean dialogue. It is natural that he has been repudiated by the nation.

DPRK: Reunification Group Urges Dissolution of UN Command

SK0208143596 Pyongyang KCNA in English 0809 GMT 2 Aug 96

["Dissolution of 'U.N. Command' Urged" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The Secretariat of the International Liaison Committee for Reunification and Peace in Korea issued a special bulletin and distributed it to its affiliated organisations, friendship and solidarity bodies, various political parties, international organisations and individuals.

Seen in the bulletin is an article entitled "'U.N. Command' in South Korea Must Be Dissolved at Once for Favorable Conditions for Detente and Peaceful Reunification of Korean Peninsula."

The United States opposes the repeated proposals of the DPRK for establishing a new peace mechanism to replace the outdated armistice agreement and insists on maintaining the armistice system, a factor of permanent confrontation on the Korean Peninsula, the bulletin said.

If a new war is to be prevented, a lasting peace to be ensured and the Korean people to determine their own affairs freely, practical measures must be taken to immediately dissolve the "United Nations Command" in South Korea and withdraw the U.S. troops and military hardware from there and, at the same time, DPRK-U.S. negotiations must be held to establish a new peace mechanism to replace the armistice system, it added.

The bulletin documented a brisk international signature campaign conducted in support of the establishment of a new peace mechanism on the Korean peninsula.

DPRK: Paper's Analyst Denounces Moves 'To Block' Rally

SK0608053296 Pyongyang KCNA in English 0415 GMT 6 Aug 96

["Sinister Intention of Separatists" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — Some time ago, the Kim Yong-sam fascist clique launched a crackdown upon the members of the South headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and other patriotic, pro-reunification democratic forces including the South Korean Federation of University Student Councils and the Seoul District Federation of University Student Councils, thus bringing great difficulties to the 7th Pan-National Rally (PNR).

Commenting on this, a news analyst of NODONG SINMUN today says:

The fascist suppression reveals their criminal intention to block the opening of the rally at any cost.

Unpardonable are crimes of the Kim Yong-sam group in resolutely opposing a grand national rally aiming at accelerating the peaceful reunification of the country ardently longed for by the whole nation and in blocking it at the point of the bayonet.

It is the unanimous desire and aspiration of the entire fellow countrymen to grandly hold the 7th PNR as a reunification festival common to the nation and accelerate national reconciliation and reunification.

The South Korean puppets must look straight at the will of the nation and immediately stop the anti-national, anti-reunification moves to obstruct the opening of the PNR in Seoul. And they must release all the illegally imprisoned pro-reunification, patriotic- minded figures including the members of the South headquarters of Pomminnyon and Pomchonghangnyon at once, stop cracking down upon the activities of pro-reunification, democratic forces for the rally and allow delegates of the North and overseas sides to visit Seoul.

DPRK: ROK's Blocking of Internet 'North Korean Page' Viewed

SK0608090696 Pyongyang KCNA in English 0858 GMT 6 Aug 96

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — "North Korean Page" has been opened in the Internet, causing a big stir in South Korea.

The July issue of the magazine MAL said that the "North Korean Page" deals with the slogan "The great leader Comrade Kim Il-song will always be with us", works of the great leaders President Kim Il-song and Comrade Kim Chong-il, slogans of the Workers' Party of Korea, education and culture in the Democratic People's Republic of Korea. The magazine carried illustrations.

The June 3 edition of the CHUNGANG DAILY [CHUNGANG ILBO] said that a portrait of the leader Kim Chong-il, "Long live the great leader Comrade Kim Chong-il!" and other slogans draw attention, and introduced in detail reports by NODONG SINMUN and the Korean Central News Agency and broadcasting time and frequencies of central radio in the northern half of Korea.

Upset by this, the puppet Agency for National Security Planning and the prosecution "officially" asked the Internet service organ in South Korea to block the channel and, at the same time, asked a channel guidance company for technical advice so that they may block the channel.

The June 13 edition of the CHOSON ILBO said that the authorities should not try to prevent the spread of the chuche idea, fearful of it, but should have an open heart to look squarely at the realities.

A researcher Kim Hyong-sok of the Youth Information and Cultural Centre said that the history of the Internet has seen no example of people being punished for monitoring a channel praising a particular group. Punishment of them will cause bitter condemnation from the international community, he said.

What they should block is not the "North Korean Page", but the U.S. channel dealing with methods of murder and robbery and pornographic scenes too shameful to watch and depraving young people and students and increasing social uneasiness and crimes, he added.

Publications of South Korea said that though the puppet clique intensify control of the "North Korean Page", they trouble themselves as they have no perfect technical equipment to block it.

DPRK: Kim Kwang-chin Attends Meeting for Return of Soldier

SK0608060996 Pyongyang KCNA in English 0422 GMT 6 Aug 96

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — Soldiers of the Korean People's Army [KPA] met at the April 25 House of Culture on Monday to warmly congratulate Corporal Kim Yong-kil, who came back to the northern half of Korea after winning his heroic fight with the enemy to defend the dignity and honor of the KPA soldier.

He drifted in a flood caused by a heavy rain on July 26 and was detained by the South Korean puppets before returning to the socialist homeland through Panmunjom on July 29.

He is 19 years old and a member of the Youth League. He joined the KPA two years ago. Working as an official of a primary organisation of the youth league of the Paekto Senior Middle School in Sinuiju city, North Pyongan Province, he contributed to discovering hundreds of pieces of precious relics and remains including the fossil "archaeopteryx". He had the honor of being received by the great leader President Kim Il-song and having a souvenir picture taken with him on December 31, 1993.

Present at the meeting were Director of the General Political Department of the KPA Cho Myong-nok and First Vice-minister of the People's Armed Forces Kim Kwang-chin, who are KPA vice marshals, and others.

The Order of National Flag First Class was awarded to Kim Yong- kil at the meeting.

Col. Gen. of the KPA Pak Chae-kyong said in a welcome speech that the heroic deed of Kim Yong-kil clearly shows that when anyone fights with the revolutionary faith and indomitable will to firmly believe in and follow only Comrade Kim Chong-il, the respected supreme commander, he can win a certain victory in any adversity and return to the embrace of the party.

Kim Yong-kil in his speech said that as the supreme commander is great, he could have strong mind, though he is an ordinary soldier. "As I had the indomitable faith and will given by the supreme commander, I could return to my dear motherland," he added.

Whenever the enemies appeased him, saying that a gold watch and a car would be given to him and that they will make him well off, he hardened the conviction and fighting spirit, thinking of the supreme commander, who was worrying about him in the enemy-controlled area, he said, stressing that in the enemy-controlled area he keenly felt that he cannot live a moment separated from the bosom of the supreme commander and even though he is alive, he is no better than dead.

DPRK: Pyongyangites Welcome Home Kim Yong-kil From ROK

SK0708105996 Pyongyang KCNA in English 1037 GMT 7 Aug 96

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — Pyongyang students and working people met at the open-air theatre in Moranbong Youth Park today to welcome Kim Yong-kil, who returned from the enemy side.

On July 26, the corporal, who was on duty, drifted to South Korea on a river swollen by heavy rains.

Detained by the South Korean puppets for three days and three nights, he valiantly fought and defeated them politically and ideologically, mentally and morally, before returning to the socialist homeland on July 29 through Panmunjom.

In his speech Choe Yong-hae, first secretary of the Central Committee of the Kim Il-song Socialist Youth League, said:

"The heroic act of Kim Yong-kil, a member of the Youth League, in fight with the enemy clearly showed that anyone who valiantly fights the enemy, with a revolutionary faith and indomitable will of deeply trusting and following the respected general Kim Chong-il, will surely win in any adversity and be reembraced by the party.

"He, undaunted by the enemy's foolish appeasement, deception, threat and blackmail, steadfastly maintained his trust in supreme commander Kim Chong-il, the brilliant commander of Mt. Paektu, and fully demonstrated in Seoul the spirit of a young soldier of the heroic Korean People's Army, which has his wisdom and grit and remains faithful to the leader and the party."

Choe Yong-hae called on all the working people and students to follow the indomitable fighting spirit and will displayed by Kim Yong-kil and triumphantly make today's "arduous march".

In his address Kim Yong-kil said that as the supreme commander is great and strong, he, who joined the army two years ago, could fight the enemy valiantly and reject the enemy's persistent, vicious appeasement, deception, threat and blackmail with unquestioned trust in him.

"Though the enemy appeased, harshly persecuted and threatened to kill me, I defended the prestige of the party and the leader and took pride in living in our socialist society centred on the masses of the people, ardently longing for the supreme commander, who would be anxious about me detained in the enemy side, and firmly believing that nobody can defeat those who are ready for death," he said.

"While in South Korea, I deeply felt that I can never live without General Kim Chong-il and I can enjoy a worthwhile life befitting a revolutionary soldier only when I remain true to his ideas and intentions," he added.

DPRK: ROK DP Statement Against Hashimoto Visit to Shrine Noted

SK0608061196 Pyongyang KCNA in English
0407 GMT 6 Aug 96

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — The South Korean opposition Democratic Party [DP] held a demonstration and made public a statement in front of the Japanese Embassy in Seoul on August 2 in protest against Japanese Prime Minister Ryutaro Hashimoto's visit to Yasukuni Shrine, a Seoul-based radio report said.

In the statement the Democratic Party branded Hashimoto's visit to Yasukuni Shrine symbolic of imperialism as the second aggression against those who were killed by the Japanese imperialists in the past and their families.

It also demanded the Japanese prime minister's apology and introspection and the South Korean "Government's" strict measure for protesting the visit.

DPRK: PRC Party, Japanese Chuche Study Delegations Arrive

SK0308110896 Pyongyang KCNA in English
0955 GMT 3 Aug 96

[FBIS Transcribed Text] Pyongyang, August 3 (KCNA) — A delegation of cadres of the Communist Party of China headed by Zhou Shengtao, deputy secretary of the Xingjiang Uygur Autonomous Regional Committee of the CPC, and the first delegation for the Study of the Chuche Idea of Japan with Shuhachi Inoue, director general of the International Institute of the Chuche Idea, as its general head and Seiichi Sakugawa, president of the National Liaison Council of the Society for the Study of the Chuche Idea and former president of Okinawa University, as its head, arrived here today.

DPRK: Daily Urges Japan To Liquidate Past

SK0408010996 Pyongyang Korean Central Broadcasting Network in Korean
0855 GMT 3 Aug 96

[NODONG SINMUN 3 August commentary: "It Cannot Endure Without Liquidating the Past"]

[FBIS Translated Text] The Japanese authorities are acting preposterously regarding the issue of resuming talks on the normalization of DPRK-Japan diplomatic relations. They are presenting as preconditions the issues of resuming North-South dialogue and the four-way talks, which have no connection at all with the issue of resuming talks on normalizing DPRK-Japan diplomatic relations. They are even babbling that the issue of normalizing DPRK-Japan diplomatic relations will be dealt with amid close contacts with South Korea. This is an absurd sophistry, as if to portray that the normalization of DPRK-Japan diplomatic relations is an issue to be achieved due to their generosity.

By acting so stupidly, the Japanese authorities are only all the more revealing their servility and anachronistic position. The issue of normalizing DPRK-Japan diplomatic relations is an issue related to the two countries. It can be realized when it is in conformity with the mutual interests of the people of the two countries. Therefore, there can be no preconditions, and, moreover, there is no need to sound out someone else's situation.

The issues of resuming North-South dialogue and of the four-way talks are issues to be dealt with by us. Nevertheless, at the request of the South Korean puppets, the Japanese authorities are presenting the issues of resuming North-South dialogue and the four- way talks as preconditions for resuming talks on the normalization of DPRK-Japan diplomatic relations. Where indeed has independent diplomacy gone, which Japan has called for so clamorously? Is that the attitude of Japan, which is saying it will become a big political power?

The Japanese authorities still have far to go if they are to escape the criticism of being a political dwarf, and as ever they are unable to be aware of the historical responsibility they face. As can be seen, the Japanese authorities are acting shabbily and mean-spiritedly. Therefore, we do not want to go out of our way to discuss the issue of normalizing diplomatic relations with them.

If Japan deals with the talks to normalize diplomatic relations by listening to other people with a wrong and insidious position, as they are doing now, no progress can be expected. We have lived until now without establishing diplomatic relations with Japan, and we can continue to live this way. Under conditions where the Japanese authorities do not want to normalize diplomatic relations with us, we do not feel the need to make efforts to solve this problem.

Our position is that it is all right if the normalization of DPRK-Japan diplomatic relations is realized, but if it is not, that is all right as well. However, there is one thing we must make clear. That is that the issue of normalizing diplomatic relations and the issue of liquidating the past are separate issues, with different characteristics. In other words, the issue of liquidating Japan's past is not an issue that can be resolved or left alone, but an issue that must be achieved without fail.

In the past, Japan occupied our country illegally, and it is a country that meted out innumerable great misfortunes and pain. However, even today, when over half a century has passed, it is not liquidating its past. The only country that has not liquidated its crime-filled past is Japan. The Japanese authorities may think that the issue of normalizing diplomatic relations is an issue that can be resolved or left alone, but by no means can liquidating the past be thought of this way.

As an offender, Japan is entrusted with a historical responsibility and legal duty toward our people, the sufferers, which must be settled and cannot be avoided. The Japanese authorities can by no means avoid this by using any kinds of tricks.

The brazen-faced Japanese authorities have never once sincerely recognized or regretted the crimes committed by the Japanese imperialists. When viewing even just this, the Japanese authorities cannot escape the denunciation of man's conscience.

If even now the Japanese authorities try to avoid or delay liquidating the past with us by making insinuating remarks about the issue of establishing relations, Japan will receive a stronger denunciation by the people as a country that is morally vulgar, humanly brazen-faced, and conscientiously servile.

Japan's crime is becoming larger with each passing day, and its price is also becoming more and more expensive. Our people bear a deep grudge toward the Japanese imperialists. As long as Japan does not liquidate its past, this [grudge] will by no means subside, and until they receive the price for the crimes committed by the Japanese imperialists, our people will not stop their struggle.

Our people will by no means tolerate the rascals who irritate and insult the nation's dignity. The Japanese authorities must not run amok recklessly, but must behave well. We will acutely observe the attitude of the Japanese authorities.

DPRK: Group Denounces Campaign To 'Franchise' Koreans in Japan

SK0608110396 Pyongyang KCNA in English 1051 GMT 6 Aug 96

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — The spokesman for the Korean Democratic Lawyers' Association issued a statement today, denouncing the anti-national campaign of those who advocate the "franchise" which would paralyse the national identity and purity of Koreans in Japan, naturalize them in Japan and disintegrate the General Association of Korean Residents in Japan (Chongnyon) and the community of Koreans in Japan.

The statement says:

Korean nationals in Japan, having experienced the bitter lot of a stateless nation, recognised the nationality law of the DPRK, their independent and dignified motherland, to become its citizens of their own accord, joined Chongnyon, an overseas citizens' organisation of the DPRK, and are now under the same legal protection as those in the motherland.

The advocates of the "franchise" campaign, ignoring historical facts and today's situation, mislead public opinion, talking as if the legal rights of Koreans in Japan would be ensured when they take part in Japan's politics and as if all the Koreans in Japan had already been granted the right to participate in Japan's politics.

It is well known that the Japanese authorities have an unfriendly attitude toward Koreans in Japan and the savage terrorist acts of Japanese right-wing gangsters are committed under the national chauvinistic policy, patronage and connivance of the Japanese authorities.

Nevertheless, the advocates of "franchise" are alleging that a decision of Japan's Supreme Court provides Koreans in Japan with "franchise" and a right to vote. In this way, they have deceived public opinion and favored the barbarous acts of the national chauvinist rightists of Japan.

The "franchise campaign" launched by some vicious elements of the centre of the "South Korean Residents Association in Japan" (Mindan) is another round of the "petition for suffrage" made by the pro- Japanese flunkeyists and traitors in the period of the Japanese imperialists' colonial rule, toeing their claim that "Japan and Korea are one community" and their policy of "Japanizing the Koreans".

The South Korean puppets have agents of the infamous "Agency for National Security Planning" and "National Unification Board" engaging in despicable and vicious plots in "Mindan" to manipulate the "franchise campaign" behind scene, disorganize Chongnyon and hurt the DPRK.

The Korean Democratic Lawyers' Association strongly demands that some officials of the "Mindan" centre clearly see the disgraceful end of the South Korean rulers, estranged from the country and the nation, and promptly stop the "franchise campaign", which sows discord among Koreans in Japan and betrays their nationality to Japan.

We express the belief that the unbiased law circles and conscientious people of the world will render full support and solidarity to Japan-resident Koreans in their righteous struggle against the anti-national, illegal "franchise campaign" conducted by the South Korean puppets and the wicked elements of the "Mindan" centre.

DPRK: Chuche Study Delegates Support Reunification Plan

SK0608061596 Pyongyang KCNA in English
0427 GMT 6 Aug 96

["Korea's Reunification Supported" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — Korea's reunification was supported by the first delegation for the study of the chuche idea from Japan at a press conference held in front of the monument to the autograph of the great leader President Kim Il- song in Panmunjom on August 5.

Ikuo Ueta, a member of the delegation, said that the president made unremitting efforts for the reunification of Korea till the last moments of his life. The monument will convey long the undying feats he performed for the independent and peaceful reunification of Korea, he said.

He said that the U.S. imperialists, occupying the southern half of Korea, are imposing pains and misfortune on the Korean people.

"When back home, we will make every possible effort for the reunification of Korea," he added.

Toshiaki Fujita, advisor to the delegation, said that what was intended by the president in his lifetime was to reunify the divided Korea at an early date, and expressed the belief that the Korean people, true to his lofty intention, will surely achieve the reunification of the country.

Kyoko Abe, a member of the delegation, said she felt a surging indignation, seeing the Military Demarcation Line dividing the nation of the same blood into two.

Sakae Inoue, permanent vice-chairman of the Japanese society for the study of kimilsungism, had this to say:

The world does not know such a great man as President Kim Il- song, who devoted his all to the nation to the last moment of his life.

He founded the great chuche idea and built a man-centred socialism in Korea for the first time in history.

Today in Korea his chuche idea is creditably embodied by the leader Kim Chong-il.

"The true looks of Korea convinced us that the president's noble intention to reunify the country will surely be carried into practice," he said.

DPRK: Overseas Groups Support Korean's 'Cause of Justice'

SK0608090296 Pyongyang KCNA in English
0853 GMT 6 Aug 96

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — Support for the Korean people's cause of justice was expressed in different countries in the June 25-July 27 month of international solidarity with them.

Speaking at a rally, Narayan Man Bijukchhe [spelling of name as received], chairman of the Nepal Worker-Peasant Party, expressed full support for the Korean people's cause of national reunification and the building of socialism. Korea's peaceful reunification will be achieved without fail under the distinguished guidance of the great leader Comrade Kim Chong-il, he stressed.

Boris Petkov, president of the Executive Council of the C.C. [Central Committee], the Bulgarian Communist Party (Marxist), said:

Today the Korean People's Army, under the tested leadership of marshal Kim Chong-il, the great brilliant commander, has grown to be invincible revolutionary armed forces capable of smashing any provocation of the imperialists and reactionaries at one stroke. And the Korean people are defending and adding lustre to the people- centred socialism of their own style, unshaken even in the complex situation of the world.

Florentin Oancea, chairman of the Romania-Korea Friendship Association, said in a press statement that the proposal for reunifying Korea by means of confederacy, which was advanced by the great leader President Kim Il-song, is the most realistic proposal that entirely accords to the reality of Korea and the interests of the Korean nation.

"We support this reunification proposal," he said.

The Mali-Korea Friendship Association issued a statement, which said, "We hope the question of establishing a new peace-keeping mechanism on the Korean peninsula and replacing the Armistice Agreement with a peace agreement, and other issues related to national reunification, a great concern of his excellency the esteemed Kim Chong-il, will successfully be settled."

Seven political parties of Jordan including the Communist Party and the People's Democratic Party published a joint statement in which they expressed support for the proposal to reunify Korea by means of confederacy and the 10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country, both advanced by the great President Kim Il-song, and for the DPRK Government's new peace proposal. "We demand that the United States dismantle the "UN Command" present in South Korea according to the resolution of the 30th session of the UN General Assembly and ensure the Korean people's right to self-determination," the statement said.

Lecture meetings were held by the Harare, Zimbabwe, Centre for the Study of the Chuche Philosophy, the Zimbabwean Youth Centre for the Study of Kimilsongism, and the Pakistan National Federation of Trade Unions.

It was stressed at the meetings that a new peace-keeping mechanism should be established on the Korean peninsula and the United States will get nothing in socialist Korea by dint of force.

DPRK: Indian Organizations Support Proposal for Peace System

SK0608090096 Pyongyang KCNA in English 0840 GMT 6 Aug 96

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — A signature campaign has been conducted in India to support the DPRK new peace proposal for replacing the Korean Armistice Agreement, which was signed in July 1953, with a peace agreement.

The signature paper was signed by General Secretary of the Communist Party of India (Marxist) H.S. Surjeet on behalf of 626,976 party members, MP [member of parliament] E. Balanandan on behalf of 2,400,000 members of the Centre of Indian Trade Unions, MP S. Ramachandran on behalf of 137 million members of the All-India Peasants Federation, and General Secretary of the All-India Students Front G. Denanajin on behalf of 125,000 members [spelling of all Indian names as received].

Attending the campaign were also representatives of the Communist Party of India [CPI], the National Federation of Indian Women, the All-India Agricultural Workers Union (under the CPI), the All-India Youth Federation, the All-India Peace and Solidarity Organization, the All-India Forward Bloc, the All-India Agricultural Union, the Indian Association of Lawyers, the Indian Supria Food Company Ltd., Sanzai Ghandi Memorial Hospital, and the Indian Journalists' Institute of Chuche.

DPRK Daily Blames Israel for Halt in Mideast Peace Process

SK0408055696 Pyongyang KCNA in English 0457 GMT 4 Aug 96

[FBIS Transcribed Text] Pyongyang, August 4 (KCNA) — NODONG SINMUN today ascribes the suspension of the hard-promoted Mideast peace process to the high-handed policy of Israel.

The paper says in a by-lined article:

The land-for-peace principle is consistently maintained by Arab nations for peace in the Middle East. The Arab nations assert that unless Israel withdraws from the occupied lands and the territorial position of Palestine and other Arab nations is ensured firmly, regional peace and security of individual countries cannot be guaranteed.

They demand, therefore, that Israel take practical measures for a peaceful climate to have its security guaranteed before raising the security issue.

Israel, however, insists that talks will be possible only after its security is guaranteed and that its troops will not withdraw from the Golan Heights even if a peace agreement is concluded with Syria.

Israel is crying out for its security while occupying Arab territories. This is a message that the people in the occupied lands should abandon their struggle to retake the territories and should remain under Israeli domination and control for an indefinite period.

The peace-loving people of the world including the Arab people accuse Israel of calling for its security while scheming to remain in the occupied lands.

Peace in the Middle East must be ensured on the land-for-peace principle as unanimously demanded by the Arab nations.

DPRK Foreign Ministry Spokesman Discusses Flood Damage

SK0708034796 Pyongyang KCNA in English 0336 GMT 7 Aug 96

["Foreign Ministry Spokesman on Flood Damage in DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — The spokesman for the Foreign Ministry of the Democratic People's Republic of Korea (DPRK) issued a statement today on the flood damage in some areas of the DPRK in late-July.

The statement says:

As already reported, North and South Hwanghae and Kangwon Provinces, Kaesong municipality and other parts of the DPRK were hit hard by floods again in late-July.

In this period, it rained up to 475-730 mm in North Hwanghae Province and heavy rains also fell in Kaesong municipality, Kangwon Province and other areas every day, causing great losses of human lives and property.

In 117 cities and counties of eight provinces, dwelling houses, public buildings, coal and ore mines and other industrial establishments, facilities and paddy and non-paddy fields were submerged, buried or washed away. The crops that had ruled good on the granaries on the west coast were so damaged that harvest will be seriously affected. The damage is so far estimated at dlrs [dollars] 1.7 billion.

The natural disasters that have been repeated these years in the DPRK have a serious impact on the livelihood of the people and the development of the national economy and, especially, cause a temporary food problem.

The hailstorm in September 1994 devastated 170,000 hectares of arable lands and entailed the loss of 1,020,000 tons of grain in North and South Hwanghae Provinces, major grain producers.

In August 1995, the biggest floods in a hundred years reduced the national output of paddy rice and maize by more than two million tons and washed away about a million tons of rice in stock. The damage was as much as dlrs 15 billion.

The afflicted areas are being rehabilitated and adjusted at an early date and the life of the flood victims is stabilizing in the main, though the damage we suffered is very severe, thanks to the urgent rehabilitation measures and the popular policy of our party and the DPRK Government, and social efforts of our people to remove the consequences of natural calamities.

Different countries of the world and international organisations and public organisations are offering relief materials including food and medicines in the noble humanitarian idea, expressing sympathy with and consolation to our people last year and this year as regards the repeated natural damage in our country.

This has given some courage and help to stabilizing the life of the afflicted people, regardless of their volume.

Our people are sincerely grateful for this and expressing deep thanks to the governments of various countries of the world, international organisations, public organisations and individuals for giving them humanitarian assistance with all sincerity.

Some dishonest forces, however, contrary to this atmosphere of humanitarian assistance of the international community, inwardly rejoiced at the natural calamities from which we are suffering, described the temporary difficulties caused by them as "structural mistake", used them for impairing and slandering our system and even tried to foil the atmosphere of international assistance by spreading false rumours about "diversion" of relief materials.

Any country and any system cannot avoid unexpected damage caused by natural calamities and it is an international usage to console and help the victims irrespective of ideology and social system.

Accordingly, there is nothing strange about temporary difficulties created in the DPRK owing to the unprecedented natural disasters which have been repeated in recent years.

Nevertheless, those forces are trying to take the difficulties of inhabitants caused by unexpected natural calamities as a good opportunity to attain their sinister political purpose, far from consoling the victims and alleviating their sufferings. This exposes their inhumane and unethical nature before the international community.

The economic losses caused by floods are enormous. But the Korean people are surmounting their present temporary hardships in the spirit of "Arduous March" full of optimism and confidence in the future as they have the inexhaustible strength of singlehearted unity around the leader, the benevolent system which protects and takes care of their destinies and the solid foundations of the independent national economy.

Of course, humanitarian assistance from the international community is necessary for us to tide over the present difficulties.

However, it is our unshakable stand that whether or not we clear away the natural damage rapidly depends wholly upon the efforts of us, the masters.

For this, the international assistance to us will prove effective in the future, too, and the humanitarian assistance will encourage our people to eliminate the aftermaths of calamities.

DPRK: Kang Song-san Receives Consolations on Flood Damage

SK0708110196 Pyongyang KCNA in English 1032 GMT 7 Aug 96

["Premier Kang Song-san Receives Consolations" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — Premier Kang Song-san of the Administration Council of the DPRK received consolatory messages from his foreign counterparts over the floods that caused severe losses of human lives and property in different provinces of Korea.

Russian Prime Minister V. Chernomyrdin in the name of the Russian people and government extended sincere condolences to the families and relatives of the dead and sympathy to the flood victims.

Vietnamese Prime Minister Vo Van Kiet expressed the belief that the DPRK Government and people will clear away the consequences of the natural disasters and stabilize production and life at an early date.

DPRK: Article Views Fertilizing, Cultivating Crops

SK0708122896 Pyongyang MINJU CHOSON in Korean 19 Jul 96 p 3

[Article by Yim Chang-tok, director of the Agricultural Commission: "An Important Task Emerging From Fertilizing and Cultivating Crops"]

[FBIS Translated Text] Overall, the current crop condition is good [chigum nongjakmului chakhwangun chonbanjoguro choun sangtaee itta] thanks to functionaries and agricultural workers of the rural economic sector who struggle to thoroughly carry out the party's agriculture-first policy.

How much we can harvest this autumn is now greatly contingent on how we fertilize and cultivate our crops.

The great leader [widaehan suryong] Comrade Kim Il-song taught: "We should scrupulously take care of all rice paddies and dry fields just as we do flower gardens, and should absolutely protect crops from disease and blight by using agricultural chemicals and other various means."

Fertilizing and cultivating crops is a crucial agricultural process that speeds up the growth and development of already-planted grain by scrupulously taking care of rice paddies and dry fields, and having them reach fruition in compliance with the request of the chuche-oriented agricultural method.

Empirical experience clearly bespeaks that substantially fertilizing and cultivating crops enables us to bridge over bad weather and increase grain harvests.

The reality, which is supposed to make a decisive change in this year's grain yield, requires a far better fertilization and cultivation of crops.

Being fully aware of the significance that fertilization and cultivation of crops has for this year, the rural economic sector should immediately direct major efforts toward this.

First and foremost, we should continuously exert great efforts in weeding.

Though farms have conducted several rounds of weeding of rice paddies and dry fields, that is not good enough to eradicate all the weeds.

During the rainy season, more weeds grow, and they grow rapidly due to the high temperature and humidity. Once these weeds within rice paddies and dry fields are timely eradicated, then we can have each cultivated field, each furrow, and each plant bear more fruition through increased effects of fertilizer. To this end, we should converge our efforts in an annihilation battle, and uproot the weeds in dry fields and the barnyard grass in rice paddies.

A timely supply of spike fertilizer [isak piryo] is the demand of the chuche-oriented agricultural method as well as one of the crucial tasks emerging from the immediate fertilization and cultivation of crops.

The supply of spike fertilizer supplements nutrients, which are needed for the fruition of crops; its timely and scientific process is important for ensuring ample harvests.

in doing so, it is also important to apply state-provided chemical fertilizers to crops in line with their growth steps, and to widely provide substitute manure, such as spike manure. As empirical experience shows, compounding substitute and chemical fertilizers is an important way to create an ample harvest because the various nutrients of the former increase the fertilization effect.

With the revolutionary spirit of self-reliance, farms should continue to yield much substitute fertilizers by actively mobilizing raw materials from their regions, and should profusely fertilize with spike manure.

Rice paddy farming is water farming. Therefore, the scientific water management of rice paddies can increase rice crops.

Farms should construe the water management of rice paddies as one of the key links; should adapt various ways to draw water into rice paddies in compliance with their soil conditions, for instance, watering them only as much as they require, watering them through a conveyer, and watering them intermittently; and should guarantee a precise height of water in rice paddies in line with the temperature and the growth steps of rice plants.

Crops should be protected from storm damage.

Heavy rainfall and strong winds in July and August are a general phenomena of our country's climate, and should be successfully overcome as regards agricultural yields in order to acquire ample and safe harvests. Any trivial slip in storm damage prevention measures, and in our efforts toward achieving an abundant harvest this year, will dwindle the yield considerably. For example, the rice yield of paddies decreases to 20 to 30 percent if rice plants are submerged.

We should make efforts in storm damage prevention measures to block flood damage in advance. The important factor here is that we should effectively take advantage of stagnant-water-pumping facilities.

Thanks to the party's wise leadership, we have stagnant-water- pumping facilities with great capacities in many rural communities, and, when the facilities are used to the maximum, they can handle any major flood without a hitch. To this end, we should keep the pumping stations substantially maintained and have them ready to operate fully at any time.

Aside from this, the rural economic sector should push ahead with and finish all matters that emerge from preventing storm damage in advance as soon as possible. These matters are to repair and reinforce river banks and reservoirs, to establish waterways at the head of dry fields and for lands which are covered with ooze and are sitting low, and to fence in corn fields with straw ropes.

Crops are susceptible to disease and blight in summer when it is muggy and the temperature is low. Farms should forestall any disease and blight by establishing a solid preliminary observation and forecast system and by heightening the responsibility and role of preliminary observers.

Agricultural guiding institutions are under a heavy obligation to effectively manage the immediate fertilization and cultivation of crops.

Agricultural guiding institutions like the County Cooperative Farms Management Board should set strategies on fertilizing and cultivating crops, and should vigorously carry them out.

Agricultural guiding institutions should give priority to political work so that agricultural workers vigorously proceed with crop cultivation with the spirit of "the arduous march," and should scrupulously work on technical guidance and economic organization work. In particular, it is important that they undertake spike fertilization and water management in rice paddies according to the biological demands of rice plants, and rationally operate labor organization and work arrangements by prioritizing matters emerging from crop cultivation in order to ensure that rice seedlings sprout.

The successful fertilization and cultivation of crops is inconceivable without guaranteeing the materials to accomplish that task.

Agricultural guiding institutions and cooperative farms should think about manure; agricultural chemicals; draining facilities for stagnant water; and things needed for storm damage prevention measures such as wood, straw bags, and straw rope. They should also guarantee all of these one step ahead of floods.

Now is the pivotal time to fertilize and cultivate crops.

By substantially implementing the fertilization and cultivation of crops in accordance with the chuche-oriented agricultural method, rural economic sectors should do their utmost to achieve a decisive change in this year's rice yield following the party's demand as expressed in the joint editorial.

DPRK Paper Lauds Kim Chong-il Work, 'Great Leadership'

SK0208143796 Pyongyang KCNA in English 1006 GMT 2 Aug 96

["Great Leadership" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — NODONG SINMUN today dedicates a signed article to the 22nd anniversary of the publication of a famous work of the Great Leader Comrade Kim Chong-il on August 2, 1974.

In the work, he indicated important questions of radically improving party work and powerfully accelerating the modelling of the whole society on the chuche idea.

He clarified that the modelling of the whole party on the chuche idea is a work of making the Workers' Party of Korea a flawless party of the great Comrade Kim Il-song and it is also a precondition, a key to realising the cause of imbuing the whole society with the chuche idea, the article says, and continues:

All ideas and theories of the work from the question of firmly establishing a monolithic ideological system within the party to the question of improving its work system and method are a powerful ideological and theoretical weapon which makes it possible to strengthen and develop the WPK into the party of Comrade Kim Il-song forever.

The wise leadership of Comrade Kim Chong-il in strengthening and developing the WPK into the party of the leader finds its expression in that he has firmly trained all the party members into genuine revolutionaries of chuche type.

He has vigorously conducted the education in the chuche idea among the party members so that they could think and act only in conformity with requirements of the chuche idea, taking the idea as their sole faith. And he saw to it that all party organisations could substantially direct the organisational life and revolutionary practice of the party members in close combination, so that they have loyalty to the party and the leader as their faith, conscience, morality and an inseparable part of their life.

The wise leadership of Comrade Kim Chong-il also lies in the fact that he has directed all work and activities of the party thoroughly in the way as Comrade Kim Il-song did and has constantly cemented kindred relations between the party and the masses and has consolidated the mass foundation of the party.

It is an iron rule set forth and consistently maintained by Comrade Kim Chong-il that only the work method of Comrade Kim Il- song must prevail in the party.

He set forth an original idea and theory of party building that the party should be a mother party which takes care of the destinies of the popular masses in a responsible way and its politics be a benevolent politics for the people, a politics of love and trust. He has successfully applied them in the building and activities of the party, with the result that they are demonstrating their great vitality in practice.

It is the intrinsic nature and main character of Comrade Kim Il- song's party to love and serve the people and form a harmonious whole with them.

The party and the leader believe in and love the people and the latter absolutely trust and uphold the former with loyalty. On this true comradeship and unbreakable relations of kinship, the singlehearted unity of the leader, the party and the masses has been cemented more closely and the revolutionary character of the party as the party of Comrade Kim Il-song has been firmly defended.

DPRK: Kim Chong-il Thanks Public Security Officers for Help

SK0608053096 Pyongyang KCNA in English 0405 GMT 6 Aug 96

["Comrade Kim Chong-il Thanks Public Security Officers and Soldiers of the Korean People's Security Forces" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — Comrade Kim Chong-il, supreme commander of the Korean People's Army, extended thanks to senior officers of the Ministry of Public Security and public security officers for actively helping Kim Il-song University on the 50th anniversary of its founding under his far-sighted plan to build up the university more excellently as a supreme centre for training national cadres.

He also sent thanks to officers of the Ministry of Public Security and soldiers of the Korean People's Security Forces for helping build up and manage better the central botanical garden which was associated with the warm love of the great leader President Kim Il-song for people.

He sent thanks to officers and political officers of Yun Chun- pyong Unit of the Korean People's Security Forces for actively helping the young farmers, discharged soldiers in Yomju County, North Pyongan Province and to Ko Hye-suk, officer of the Yonsan County Security Department in North Hwanghae Province, and Choe Kyong-pok, telephone operator of the Sinam District Security Department in Chongjin city, North Hamgyong Province, for showing their sincerity to honoured disabled soldiers.

DPRK: Japanese Delegates Praise Kim Il-song as 'Great Man'

SK0608085996 Pyongyang KCNA in English 0843 GMT 6 Aug 96

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — "President Kim Il-song is the great man whom the world people hold in highest regard."

The first delegation of Japan for the Study of the Chuche Idea said this in an interview with reporters after visiting the International Friendship Exhibition on August 5.

President of the National Liaison Council of Societies for the Study of the Chuche Idea and former president of Okinawa University, Seiichi Sakugawa, who is heading the delegation, said: "President Kim Il-song is a recognized great leader of the world.

"We, visiting the exhibition, have realised what a high authority he had.

"The respected president left the gifts from many countries as national treasures for the people.

"It is none other than President Kim Il-song who made these gifts property of the people."

Eiju Iino, member of the delegation, said all the people lead a stable life as the idea of the great President Kim Il-song has been applied in the Republic.

The DPRK is not isolated but advancing toward a bright future, catching eyes of envy from the world people, Hideki Oneda, member of the delegation, said, adding that the exploits performed by the president in building such a country will be handed down through generations.

DPRK: Pyongsong University of Sports, Physical Culture Founded

SK0208143696 Pyongyang KCNA in English 0806 GMT 2 Aug 96

[FBIS Transcribed Text] Pyongyang, August 2 (KCNA) — The Pyongsong University of Sports and Physical Culture has been founded thanks to the great solicitude of the Great Leader Comrade Kim Chong-il in Pyongsong City, South Pyongan Province, Korea. The university will give lessons in socio-political subjects including the revolutionary history of the Great Leader Comrade Kim Il-song as well as physical culture. It will train reserve sportsmen and sportswomen in football, gymnastics, weightlifting and wrestling and so on and sports officials as well.

DPRK: KPA Choir Gives 'Strength and Courage' to Korean People

SK0608090996 Pyongyang KCNA in English 0905 GMT 6 Aug 96

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — The merited choir of the Song and Dance Ensemble of the Korean People's Army [KPA] is a dignified powerful art organisation which is most sensitive to the idea and intention of the Workers' Party of Korea and the requirements of the times and aspirations of the people and which gives great strength and courage to the Korean people.

Fully represented in songs sung by it are the iron will, matchless grit and resourceful stamina of the great brilliant commander and his ardent love for the people.

The great leader Comrade Kim Chong-il, who had appreciated its art performance twice, at the end of last year and at the beginning of this year, saw it recently again. He said that he felt his spirit refreshed and he gained a new strength, adding that the choir represented in songs all things he thought of and he wanted to say.

This proves how art serves politics, he stressed.

Songs sung by the choir fully show the determination of all the Korean people to resolutely safeguard their leader, the spirit of the red flag, their faith in the leader, the party and socialism which they cannot abandon even if they die, the heroic spirit of soldiers and the noble feelings of loyalty and filial piety.

"Let Us Hold High the Red Flag", "We Will Defend the Headquarters of the Revolution With Our Lives", "We Pledge Ourselves", "We Will Win Under the Flag of the Supreme Commander", "The Desire of Soldiers" and other songs performed by it always deeply touch the heartstring of the audience.

The inexhaustible descriptive capacity and distinguished artistic talents of the choir are unthinkable without the leadership of Comrade Kim Chong-il, the great master of art who is possessed of rare intelligence and perfect organising ability.

He indicated a new principle of composing an orchestra, a chorus- conducting principle and a depictive method of stage art suited to the characteristics of the chuche-based chorus, boldly breaking the already-established formula of orchestral composition, and devoted his all to their materialisation.

Under his guidance, the choir has radically improved its power in a matter of six months.

Bright is the future of the choir composed of people's actor Choe Chang-nim, who participated in the fatherland liberation war, dignified singers and excellent vocalists in their twenties.

Nowadays, it is exerting all its efforts to master 100 world- famous songs as their fixed ones within this year.

Indeed, the choir, which is demonstrating its honor as the choir of Comrade Kim Chong-il, an ever-victorious brilliant commander, is a pride of Korea, a pride of people.

DPRK Paper on Intensifying 'Anti-Imperialist Struggle'

SK0608091996 Pyongyang KCNA in English 0910 GMT 6 Aug 96

["NODONG SINMUN on Intensifying Anti-Imperialist Struggle" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 6 (KCNA) — Progressive people all over the world should intensify the anti-imperialist struggle with a high degree of revolutionary vigilance and principle, thereby foiling the dominationist policy of the imperialists and pressing ahead with global independence, stresses NODONG SINMUN in a by-lined article today.

The author of the article says:

In order to progress the popular masses' cause of independence and attain its ultimate victory, the anti-imperialist stand and principle should be maintained thoroughly.

The cause of independence of the masses is carried on inevitably in acute confrontation with imperialists, which is the mainstream of world politics during and after the Cold War period.

Under this condition, it is necessary not to soften the anti-imperialist stand or abandon it.

Reactionary nature of the imperialists remains unchanged.

If there is anything changed, it is their method in aggression and plunder.

They are projecting themselves as "advocate of democracy", "defender of human rights" and "defender of peace".

And, luring the people with money they behave as if they were "humanitarians" and "helpers".

Such an art of disguise of the imperialists, the modification of the method of aggression, should not be considered the change of their nature.

Styling themselves as "victors" in Cold War, the imperialists are bluffing as if no others could match them.

But their bluffing represents their weakness not mightiness.

Actually, the imperialists are servile to powerful ones but outrageous to weak ones.

While going along the road of destruction, they are running wilder to materialize the dominationist ambition.

Only when the people advocating independence are closely united under the banner of independence against imperialism transcending political views, systems and religious beliefs and invigorate the anti-imperialist struggle supporting and solidarizing with each other, the imperialists' dominationist policy will not work.

DPRK Daily: Future of Nation Lies With DPRK-Style Socialism

SK0708095396 Pyongyang KCNA in English 0944 GMT 7 Aug 96

["Korean-Style Socialism and Future of Nation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — The bright future of the Korean nation is not in such a colonial society as South Korea, but in the socialist society in the northern half of Korea, says NODONG SINMUN in a signed article today.

It says:

While the socialism in the northern half of Korea is a society which is the embodiment of noble philosophy and idea, South Korea's is a society based on anti-social, unethical idea. And the former is an independent society which is built with its own faith and strength, but the latter is a colonial society where foreign forces lord it over and treacheries hold sway.

The Korean-style socialism is the most solid and invincible one. The South Korean social system is doomed to ruin, where there are outside forces and traitors and where there are no political, military and economic foundations for its existence.

The article quotes the great leader Comrade Kim Chong-il as saying:

"All the people are united around the party and the leader with one mind and purpose, forming a powerful driving force for the revolution. Socialism is advancing, based on independence, self- sufficiency and self-reliance in defence. The independent and creative socialist life of our people is blossoming. This demonstrates the great advantages of socialism in our country."

The article goes on to say:

It is after the collapse of socialism in some countries that the invincibility of the Korean-style socialism has been brought into bolder relief.

This is a stark reality that no one can deny.

The socialism in the northern half of Korea is indestructible in that it has patriotic traditions of the nation, in that it is built its own way to meet the demands and desires of the Korean people and in that it has achieved a firm singlehearted unity of the leader, the party and the masses.

The socialist government in the northern half of Korea has been established on the basis of the programme laid down by the great leader Comrade Kim Il-song and through the hard-fought struggle of the Korean people, which lasted tens of years under his guidance.

The Democratic People's Republic of Korea and the socialist government established by the Korean people at their general will are possessed of the spirit of the nation; while giving full play to the spirit they have pursued line and policies for the sake of the country and the people in all realms of state activities for today and tomorrow of the nation.

Ours is the man-centered socialism, which has been built, from the beginning, our own way on the basis of the great chuche idea, our guiding idea; it stands true to principle of independence.

Ours is also a socialist society with peculiar political mode and economic management system of our style and superior culture and way of life of our style which are efflorescing and developing.

Our country has no line and policies which are imitations of those in other countries; its existence does not depend on outside forces.

The Korean-style socialism is indestructible also in that it has a firm singlehearted unity of the leader, the party and the masses.

Potentials of socialism which is making a long drive lie in politico-ideological unity of the popular masses.

It is the true looks of the Korean-style socialism that the leader and people have identical ideas, ideals, sentiments and emotions and share destiny and bitters and sweets.

The Korean-style socialism makes uninterrupted advance by the help of the most solid political, military and economic foundations.

Today the socialism in the northern half of Korea fully demonstrates its might as indestructible socialism. It is mainly because it is under the outstanding and seasoned guidance of a great party and a great leader.

Ours is a promising socialism which makes a long drive under the leadership of the respected General Kim Chong-il, who is a great statesman of our era and an iron-willed brilliant commander.

The article further says:

South Korea is in the guise of a "sovereign state"; it is a typical colony under the U.S. political domination, military control and economic and cultural subjugation. The South Korean colonial system imposed upon the people by outside forces has covered the road of dependence and bankruptcy. The South Korean "government" is a fabrication by the U.S. and acts under its order. The cardinal internal and external policies now pursued in South Korea reflect the U.S. demands and interests.

The prerogative of supreme command over the "ROK" army is in the hands of the commander of the U.S. forces occupying South Korea.

The economy of South Korea is wholly subjugated to outside forces. It is an export-oriented colonial contract economy which depends upon other countries in raw and other materials, equipment and other means of production as well as in marketing of commodities. It has been reduced to debtor's economy.

The puppet government in South Korea has pursued the reactionary policy of strangling national culture.

South Korean society and its regime are traitorous and anti- social ones which speak for the interests of a handful of foreign forces, exploiters and reactionary government officials. They, therefore, are doomed to ruin. Their anti-social nature finds expression in pursuing reactionary, anti-social policies. The South Korean rulers have no political philosophy and idea, but act at the instructions of outside forces.

As can be seen in the diametrically different systems in the North and South of Korea, the patriotic and popular socialist system in the northern half of Korea is, indeed, a true representative and defender of the interests of the Korean nation, including those in the northern half of Korea. It is clear that herein lies their bright future.

DPRK: 'Korean-Style Socialism Does Not Waver in Any Storm'

SK0708114196 Pyongyang KCNA in English 1130 7 Aug 96

["Korean-Style Socialism Does Not Waver in Any Storm" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, today in a lengthy by-lined article headlined "Korean-Style Socialism and Future of Nation" stresses that the Korean-style socialism centred on the popular masses built in the northern half of Korea is a most viable and solid, invincible socialism which does not waver in any storm.

The imperialists and reactionaries have unprecedentedly strengthened the base false propaganda against the Democratic People's Republic of Korea, the fortress of socialism, after the collapse of socialism in some countries, but the political, economic and military might of our socialism has not been weakened but strengthened a hundred times, and our socialist system has not collapsed but is becoming more promising, the authors of the article note, and go on:

When socialism collapsed in some countries in succession, the imperialists and reactionaries thought that its aftermath would reach the DPRK. This was a foolish dream of those with no understanding of the chuche-based nature of the Korean-style socialism. It will advance as invariably and dynamically as ever along the road of independence chosen by the Korean people no matter what upheavals may take place in the world.

The might of the Korean-style socialism is being more clearly demonstrated after the death of the great leader Comrade Kim Il- song.

The history of the socialist movement has often seen political confusion and vacillation take place and socialist construction suffer twists and turns after the death of the preceding leaders. This was because the work for realizing political and ideological unity was not raised and carried on in a planned way as a fundamental question decisive to the destiny of socialism and its prospect.

The situation in Korea is fundamentally different. There have been no elections of the state leadership body in the DPRK since the death of the president, but high degree of political stability is ensured in all sectors of social life and all the party and state affairs are going well. This shows the world that the singlehearted unity of the whole party, all the army and the entire people around the great leader Comrade Kim Chong-il is by no means an empty talk.

South Korea

ROK Daily Criticizes U.S. 'Unilateral' Antiterrorism Bill

SK0708015396 (Internet) The Digital Chosun Ilbo WWW in English 1200 GMT 6 Aug 96

[Editorial: "American-Style Anti-Terror Law"]

[FBIS Transcribed Text] US President Clinton has signed the Anti-Terrorism Bill which imposes restrictions on businesses and individuals planning to invest in Iran and Libya. He has also called upon other friendly nations to join the US in imposing sanctions against those countries. However, France, England, Germany and other EU nations blatantly rejected Clinton's invitation.

Terrorism ought to be expelled from human society. Indiscriminate acts of terrorism, whatever their justification or motive, ought especially to be deplored. If the TWA airline explosion and the bomb explosion at the Atlanta Olympic Games were indeed connected with the terrorist activities of Iran or Libya then it is appropriate for unanimous international sanctions to be applied.

However it is necessary for the US to first determine the truth about the TWA blast and the Atlanta Park explosion and expose those involved. If the US exposes the groups behind the terrorism then it will gain great international sympathy if it then proceeds to impose sanctions on the countries with whom the activities of the culprits were intimately connected. The US has immense investigation resources and highly sophisticated intelligence gathering organizations. It is jumping the gate for the President and Congress to go ahead with political measures before the investigations of the two incidents have been concluded.

Why would Clinton and the US Congress be prepared to stamp on accepted order and process and push to the side international habitual practices to promote their own personal views. Perhaps now that the Cold War has finished and the US is attempting to bring about an era of "Pax America" the US has transformed into a wholly arrogant creature and regards itself entitled to make declarations of a unilateral and self-righteous nature which no other party is able to counterbalance. The signing of the Terrorism Bill [as received] is not the first time that the US has attempted to define international order through its own domestic legislation; the Anti-Dumping Law, too, is a very good example of the US wielding indiscriminately its power and authority.

The US should act a bit more delicately. Demonstrating tenacity to the outside world is a successful vote-scoring exercise for certain politicians but the US should be aware that attempts to effect international leadership as the world's only superpower also carry with them debit ledger entries. In an effort to pursue an ideal society of mankind the US should handle international issues more deftly with the cooperation of the international society through organizations such as the UN.

ROK Communications Group Urges U.S. To Take ROK Off PFC List

SK0308061896 (Internet) The Digital Chosun Ilbo WWW in English 1207 GMT 2 Aug 96

[FBIS Transcribed Text] Korea Communication Industry Association urged the U.S. Government Friday to immediately remove its designation of Korea as a Preferential [Priority] Foreign Country (PFC) in the communications market, saying that if the U.S. carries out such unilateral sanctions, Korea will counter strongly.

The Association said at the end of May, the trade deficit with the U.S. in the communications sector exceeded $400 million. Moreover, it said that the newly licensed mobile communications project in June involved the participation of many American businesses making the claim that the Korean Government is interfering in the purchasing of communications equipment by private businesses unjustifiable. It urged that PFC designation based on such unjustifiable claims be removed and asked the U.S. Government to demonstrate proof of its assertions.

ROK: DPRK's UN Envoy Reportedly Requests Carter's Mediation

SK0708002796 Seoul KBS-1 Radio Network in Korean 2200 GMT 6 Aug 96

[FBIS Translated Text] Kim Hyong-u, North Korean permanent representative to the United Nations, met with former U.S. President Carter and reportedly asked him to intercede for relaxation of economic sanctions against North Korea and food aid.

North Korean Representative Kim Hyong-u conveyed the request during a visit to the Carter Center with Chang Ung, North Korean member of the International Olympic Committee; Pak Song-pom, head of the North Korean Olympic team; and Kye Sun-hui, Olympic gold medalist.

The Carter Center stated that the North Korean figures paid a courtesy call and exchanged opinions with former President Carter on the security and peace of the Korean peninsula.

ROK Article on 'Discord' in 4-Way Talks Proposal

SK0408074096 Seoul THE KOREA TIMES in English 4 Aug 96 p 6, 11

[Article by T.C. Rhee, a senior staff member of the Kim Tae-chung Peace Foundation]

[FBIS Transcribed Text] A great deal has been said already about the proposed four-party talks, and the discussion will continue in the days to come. It seems that the scrutiny ought to involve several key aspects: first, the circumstances under which the proposal was made in the first place; second, Pyongyang's position behind its fundamental needs and the means with which it feels it can get what it wants; third, the likely reaction of China; fourth, the exclusion of Russia and its impact; and finally, Japan's inner posture.

In spite of the rosy rhetoric, the Cheju proposal was the product of discord and differences, not a reflection of harmony and cooperative coordination between the Clinton and the Kim Yong-sam governments. The principal blame for this incoordination lies with the South Korean government. Unlike the simple but eminently consistent and justifiable American policy of deterrence and the prevention of war in Korea, the policy pendulum has swung wildly between ultra-hardline and unwise conciliation in Seoul.

This indecisiveness, along with the lack of experience, firm principle, and vision, constitutes the worst possible combination for diplomatic disaster, spawning even more misunderstanding and distrust on all sides. The mere fact that the national unification minister has been replaced five times in barely three years of Kim Yong-sam's presidency tells the story of South Korea's cavalier attitude to the serious question at hand and clearly reveals a policy floundering in quicksand.

To embattled North Korea, in the midst of its worst crisis since the war, the wild fluctuation in Seoul, mixed with harsh, belligerent words, can only be seen as the unmistakable sign of Seoul's plot to induce and expedite the collapse of the North and absorb it strictly on its own terms. Once the worst case of mutual distrust has set in, compounding the suspicion in Pyongyang, Seoul's occasional denials of ulterior designs or the proclamation of good intentions will seem even more sinister.

If North Korea wants, despite Seoul's complaints, direct bilateral talks with the United States to achieve its various goals, the Clinton Administration will also need direct dialogue to achieve both its long-term strategic agenda in Northeast Asia as well as its immediate needs for the political campaign ahead. However, for Washington to go ahead, it has to bypass Seoul's anger and frustration by a formula which can both co-opt Seoul by its inclusion and allow the United States flexible maneuvering room to deal with the North directly.

The strong hint of discordance between Seoul and Washington cannot be easily missed if we examine a series of statements made by important Americans with close ties to the U.S. government. Speaking before an international conference in Seoul recently, David E. Brown, former chief of the Korea Desk in the State Department, said elliptically that "deterrence is no longer sufficient to preserve ROK security, or ensure stable relationships among the nations of Northeast Asia."

According to Brown, "assisting the DPRK to cast off old habits of isolation and militant suspicion of its neighbors" should be a vital part of South Korea's policy towards long-term security and regional stability. After implying the areas of differences between Seoul and Washington, Brown advised that "we on our part, can afford to rise above harsh words and even dysfunctional acts, as long as they do us no real harm."

A similar vein was detected in Ambassador James T. Laney's speech, "Beyond Deterrence," before the Asia Society Corporate Conference in Seoul. Ambassador Laney insisted that the two allies must be "willing to rethink the approach we have historically taken" towards North Korea. Emphasizing that a policy's worth should not be judged based on the old and useless criteria of "tough" or "soft," the Ambassador added that all efforts should focus on "persuading North Korea not only that its current path is a dead end but also that there is a better alternative."

For American diplomats, these are indeed blunt words to characterize, albeit indirectly, the stance of the government with which they are allied. Indeed, the United States and South Korea have had a series of fundamental disagreements since American efforts to resolve the critical nuclear issue were hampered at every turn by South Korea's foot-dragging and shifting stance. Having "officially" criticized the idea of former President Jimmy Carter's visit to North Korea in 1994, the Seoul government in fact laughed at the much needed breakthrough achieved later at the Carter-Kim Il- song talks.

The subsequent controversy over the Southern refusal to offer even "diplomatic" condolences over Kim Il-song's death, the hardline opposition to the negotiations leading up to the Agreed Framework in Geneva, and the protracted argument over the lightwater reactors (LWRs) — all these caused what may turn out to be lasting damage both to inter-Korean as well as South Korean-U.S. relations. The Cheju proposal was born from this setting as a palliative and a fig leaf to cover the wounded pride of South Korea—a fig leaf without substance.

Finally, what clinched the American attitude was the possibility of the sudden collapse in North Korea with enormous implications for the entire Northeast Asia. The critical food shortage produced a situation that could result in the worst case scenario in addition to other more long-term strategic issues such as the future relations with increasingly powerful China and hypersensitive Russia.

Beyond the Armistice Agreement to which China is a party by dint of its wartime status as the principal belligerent, the inclusion of China in the four-party talks is both unavoidable and essential. This is so because without at least China's understanding, no successful resolution may be possible on the larger Korean issue. The trouble is that the proposal is made at the worst possible time in the relationship between China and the United States.

Besides the potentially very dangerous issue of Taiwan, there are a host of smoldering problems between the two, such as the human rights problem and the protection of intellectual property rights. Fundamentally, however, China feels betrayed by the blatant revival of the "Two-China" policy by the United States despite repeated commitments in the past. Under these circumstances, it is hard to imagine a clear and supportive response from China for the four- party format.

Russia is clearer in its indignation to its exclusion. A speech by one of Gorbachev's former advisors, Georgiy Shakhnazarov, reveals Russia's emphasis on its role in Asia. Indicating the West will "never embrace Russia," Shakhnazarov stated that Russia's "relations with Europe should be balanced by the development of relations with Asia, and the latter should even be given the priority."

V.I. Denisov, the next Russian ambassador to North Korea, was more explicitly against the Russian exclusion in the proposed talks. In a speech delivered at a conference sponsored by Kyongnam University, Denisov stated that "the attempts of some circles to undermine the Russian-North Korean ties damage the interests of security on the Peninsula" and that the exclusion of Russia was being viewed as a deliberate scheme to damage the legitimate Russian interest in Korea as well as Northeast Asia.

Lastly, of all the major powers, Japan is least free to voice its innermost thoughts on the Korean question. Contrary to its official sanction for the concept of the four-sided talks, the Japanese thinking is likely to be far more complex and even devious. There is a vicious circle of intensifying mutual dislike between Korea and Japan. The determined Japanese position not to admit its past sins against its fellow Asians has exacerbated the sense of historical hostility towards Japan.

As the negative feelings deepen and spread even to the post-war generations, Japan will entertain the most spoiling ideas on the question of the two Koreas. If the Chinese and Russian reactions are aimed primarily at the United States, the Japanese policy will be aimed at Korea itself-both the South and the North.

Having said all this, the essence of the knot in Korea still remains with its intractability. We are back at the starting point. What's the solution? Naive and unrealistic as it may sound, the solution lies with the intentions of the two Korea's leaders. Unless there is a fundamental change in the way they look at each other and the world outside, no outside power today has the capability to solve the problems unilaterally. Only the Koreans themselves have the key to unravel the tangle.

Since neither Seoul nor Pyongyang will ever entertain the notion of absorption by the other, new thinking that clearly recognizes each other as independent entities will have to begin. The North realizes that unification of any means (including a process of gradual and cautious reconciliation) would ultimately be an absorption by the South, and thus, the end of its system. As long as this outlook doesn't change, North Korea will never cooperate, and the idea of unification may persist as a wishful thinking.

ROK: Two Students Scheduled To Attend Pyongyang Festival

SK0708021896 Seoul YONHAP in English 0047 GMT 7 Aug 96

[FBIS Transcribed Text] Berlin, Aug. 6 (YONHAP) — Two South Korean collegians are scheduled to fly to Pyongyang Friday to attend a "Pan-national Unification Festival" there.

The two students told YONHAP Tuesday that they will arrive in Pyongyang Friday aboard a Koryo Air flight to attend the general conference of the North's National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) as well as a Pan-National Unification Festival sponsored by the alliance.

The two — Yu So-hong, 25, a senior at the Choson University Dental College, and To Chong-hwa, 22, a senior at the Yonsei University Engineering College — are to visit North Korea as representatives of the outlawed Korea Federation of University Student Councils (Hanchongnyon), the southern side headquarters of the National Alliance of Youth and Students for the Contry's Reunification.

Departing Seoul aboard a Korean Air flight Sunday, they arrived in Berlin Monday via Paris.

In an interview at the National Alliance's Joint (South-North) Secretariat here, they said they will also meet North Korean student representatives affiliated with the Pyongyang and North Pyongan Province student committees.

"We plan to return home through the truce village of Panmunjom between Aug. 13-15 together with 200 North Korean representatives who will attend the sixth Pomchonghangnyon Unification Festival to be held at Yonsei University," they said.

If it turns out to be impossible to return home through Panmunjom, they said, they plan to work at the national alliance's joint secretariat.

Yu and To are expected to take charge of the national alliance's joint secretariat, according to Pak Song-hui, who visited North Korea in 1991 as a representative of the National Federation of University Student Councils (Chondaehyop) and who has been working at the joint secretariat.

Pak said that the joint secretariat will move to another location where North and South Korean representatives can easily meet.

Asked if the new location will be Japan, she replied the new site has yet to be determined.

Yu and To are expected to attempt to return home through the truce village. If and when they fail, they expect to set up the national alliance's joint secretariat at a third location, possibly Japan.

ROK: 'Dilemma' Over Providing Grain Aid to DPRK Analyzed

SK0708125296 Seoul CHOSON ILBO in Korean 7 Aug 96 p 6

[Article by reporters Kim Yon-kwang and Song Ui-tal: "Dilemma Over Grain Aid to North Korea"]

[FBIS Translated Text] As U.S. and Japanese efforts to pressure the ROK to provide grain aid to North Korea become more apparent, the ROK Government has begun to ponder this matter. A very high- ranking government official said on 6 August: "We are agonizing over and over again." The Ministry of National Unification and the Ministry of Foreign Affairs, of course, officially and flatly state: "We are not considering providing grain aid to North Korea."

The government's agony comes from the fact that the United States and Japan have been delicately changing their attitudes to such an extent that it is now difficult for the ROK Government to accept ROK-U.S.-Japan cooperation as a certainty. YOMIURI SHIMBUN of Japan reported on 1 August that the "Japanese Government will begin humanitarian aid to North Korea."

Japan gave 600,000 tonnes of rice to North Korea last year as humanitarian aid. Any further action by Japan would compel the ROK to follow suit.

The United States is taking a similar action: Nicholas Burns, a spokesman for the Department of State, said on 5 August: "If North Korea requests additional aid, the United States will provide grain to North Korea irrespective of whether North Korea accepts the four- way talks." He added it would be possible for the United States to provide aid to North Korea at anytime through the World Food Program [WFP] and other international agencies. This directly contradicts the ROK's position that "providing further assistance, even through international agencies, is not possible at present."

The ROK Government has so far examined various ways to provide aid to North Korea in an effort to lead North Korea to change its attitude. On 4 August, Kwon O-ki, deputy prime minister of reunification, told the Yonhap Television Network, a cable news network: "I think it correct to help North Korea in this way." In so saying, he strongly expressed his intention to provide aid to North Korea.

However, despite the fact that we should provide aid to North Korea, the conditions for doing so have continuously worsened. First, our rice reserve is less than half the recommendation of the Food and Agriculture Organization's [FAO].

The ROK must import rice if it is to provide grain aid to North Korea. Its trade deficit for the first half of this year reached $10 billion, and the growth rate of its exports was down for the first time in 40 months. Pertinent government officials state, pessimistically, that it will be difficult to win support from the people for rice imports.

The government thinks any government-level aid for North Korea will be impossible unless North Korea asks the ROK to provide government-level aid or changes its attitude. Thus, the government is more inclined to provide aid to North Korea through the WFP and other international agencies. This means the government intends to go the course of the United States.

Forming an ROK-U.S.-Japan consortium and having nongovernmental organizations participate in the consortium, providing aid through the FAO and other multilateral organizations, and other formulas have also been discussed. However, they are still mere plans.

At a time when North Korea has refused to change its attitude, a last key to solving the knotty North-South problem is the ROK's resolute political decision. This is why it has constantly been speculated that President Kim Yong-sam would present a momentous aid package for North Korea on the anniversary of national liberation [15 August].

The WFP plans to release a report on its on-going survey in North Korea after August. The ROK Government's position is that it will maintain its current attitude until North Korea or international agencies officially request aid after the WFP releases its report.

ROK 'Ready' To Provide Technical Aid in Opening DPRK Air Space

SK0308124696 Seoul YONHAP in English
1143 GMT 3 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 3 (YONHAP) — South Korea is ready to offer technical aid to North Korea in connection with its agreement to open its skies to overflights by international airlines, including those based in the South, if so requested.

A government official, noting the North's air traffic control techniques are far below the international standards, said over the weekend that the government would positively consider providing technical aid to the North, if the North made a request for such assistance.

The government is studying the backdrop upon which Pyongyang agreed to open up its air space to world airlines in December in its negotiations with the International Air Transport Association (IATA), he said, speaking on condition of anonymity.

If Pyongyang offers to discuss South Korean flights through its air space, the government would accept it, he added.

North and South Korea, Japan, the United States, Russia and the International Civil Aviation Organization have discussed opening the North's air space to international airlines over the years, and IATA officials' recent visit to Pyongyang was a result of such discussions, he explained.

Pyongyang's move appears to fit its policy of cautiously opening the doors to the outside world, on the one hand, and to earn much- needed foreign currency by collecting overflight fees from international airlines, on the other, he remarked.

ROK: Japanese Daily: About 100 Die of Hunger in Pyongyang Daily

SK0708104296 Seoul YONHAP in English
1029 GMT 7 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 7 (YONHAP) — As North Korea's food situation turns from bad to worse, up to about 100 people die of hunger a day in Pyongyang alone lately, the newspaper TOKYO SHIMBUN here reported from Beijing quoting North Korean and Chinese trade sources Wednesday.

The sources reportedly spoke of the North Korean famine based on what they heard from North Korean trade officials and those Chinese visitors to Pyongyang.

"In an attempt to keep the death by starvation from the public, Pyongyang authorities see to it that remains be buried at night only," the report said.

Many aged men and women kill themselves in utter anxiety about their future due to food shortage, and the regime has been staging a "two meals a day" or even "one meal a day" public campaign, the Japanese daily added.

ROK: DPRK Soldiers', Citizens' Remains Returned

SK0708082096 Seoul KBS-1 Radio Network
in Korean 0700 GMT 7 Aug 96

[FBIS Translated Text] The remains of four North Korean soldiers and citizens, which drifted downriver to our side during heavy rains late last month, were returned to the North through Panmunjom this afternoon.

The UN Forces Command delivered the bodies of the two North Korean soldiers to the North Korean Army at a location between the Military Armistice Commission [MAC] building and the old Joint Duty Officers' office at 1330 [0430 GMT] on 7 August. Then, at 1430 [0530 GMT], the Korean National Red Cross delivered the bodies of the two North Korean citizens to the North Korean Red Cross Society in the aisle between the office of the Neutral Nations Supervisory Commission and the MAC building.

The delivery of the remains of the North Korean soldiers was completed in five minutes after simple formalities were conducted to confirm the identity of the bodies; the formalities were conducted by three delegates from the UN Forces Command, including Colonel Ormes, and four North Korean Army delegates, including Senior Colonel Pak In-su. The delivery of the remains of the North Korean citizens was done quickly without the confirmation formalities.

ROK Daily on 'Rapidly Growing' DPRK-Taiwan Relations

SK0708102196 Seoul HANGUK ILBO in Korean
7 Aug 96 p 6

[Report by Pae Yon-hae]

[FBIS Translated Text] North Korea and Taiwan are rapidly growing closer to each other. Since the ROK severed diplomatic relations with Taiwan in 1992, North Korea and Taiwan have been growing closer to each other based on economic exchanges. With the beginning of this year, high-ranking figures, including government officials and parliamentarians, visited each other's nations. In addition, the two nations are seeking mutual exchanges in practically all fields, including sight-seeing and sports, as well as the dispatching of mutual survey teams. Although the two sides emphasize the separation of politics and economics as well as the unofficial nature [pikongsiksong] of their exchanges, contacts of high-ranking officials are worthy of attention. North Korea sent Yi Song-nok, deputy chairman of the External Economy Commission (vice minister-level), to Taiwan on 21 June to discuss the issue of rice aid and investment in North Korea, thus upgrading the level of the exchanges.

Earlier, on 31 May, 12 people from Taiwan, including parliamentarians and officials from the Agency of Agriculture and Forestry, visited North Korea and inspected areas damaged by floods. While they were there, North Korea requested the provision of 200,000 tons of rice.

Economic and cultural exchanges have also been accelerated. North Korea established an office of the DPRK International Travel Corporation in Taipei in April, and issues entry visas to North Korea. Accordingly, 216 Taiwanese tourists arrived in Pyongyang on 21 July. It is highly likely that when a regular passenger airliner between North Korea and Macao opens in September, the number of Taiwanese visiting North Korea via Macao will further increase.

The rapid progress in relations between the two countries is a harmonious outcome of the North Korean policy to overcome economic difficulty and the Taiwanese policy to evade diplomatic isolation.

North Korea is greatly interested in economic cooperation with Hong Kong and Southeast Asian countries, and attaches great importance to Taiwan, regarding it as a strategic stronghold for attracting the capital of Chinese residing abroad. The nature of Taiwanese enterprises, which are operated as medium and small businesses, also attracts North Korean interest. Several processed marine products enterprises in Taiwan have already advanced into North Korea, and a large investment survey team is scheduled to visit North Korea soon.

On 5 August, Taiwan's COMMERCE AND INDUSTRY TIMES reported that "North Korea plans to establish its mission in Taiwan within this year." This reflects North Korea's wish to expand exchanges with Taiwan. However, the attitude of the PRC, which adheres to "the principle of one China," will work as a significant factor greatly affecting the progress in relations. In June, the PRC Foreign Ministry manifested that "the PRC absolutely opposes the establishment of diplomatic relations between North Korea and Taiwan," and Chang Hsiao-yen, Taiwan's foreign minister, revealed that "Taiwan is not considering exchanges of missions in the near future." Obviously, their remarks were made taking such a policy by the PRC into account.

The Total Amount of North Korea-Taiwan Trade

1995:	$14,700,000
1994:	$10,478,000
1993:	$7,231,000
1992:	$6,714,000
1991:	$2,649,000

Items North Korea exports to Taiwan: corn, millet, starch, precious metals, decorations, women's clothes.

Items North Korea imports from Taiwan: machine tools, synthetic fiber, glass fiber, copper, precious metals, decorations.

ROK: Rumors on Secret N-S Contacts in Beijing Analyzed

SK0708102496 Seoul TONG-A ILBO in Korean 7 Aug 96 p 3

[Report by reporter Mun Chol]

[FBIS Translated Text] For the past several months, there has been a series of reports by foreign media on rumors of secret contacts between South and North Korea in Beijing.

Whether the rumors will be confirmed as true is the focus of public interest since South and North Korea held talks through secret contacts in Beijing last year.

The U.S. military paper JANE'S INTELLIGENCE REVIEW has recently reported: "Special envoys sent by the top leaders of South and North Korea have been holding secret negotiations at the state guest room in Beijing since May through the good offices of China."

Prior to this, U.S. NEWS AND WORLD REPORT also reported on 24 June: "South and North Korea have recently held secret talks in Beijing." THE WASHINGTON TIMES and Hong Kong's FAR EASTERN ECONOMIC REVIEW also reported simultaneously on 5 June the rumors of secret talks between South and North Korea, as if they had promised to report it on the same day. Japan's NHK reported secret contacts between South and North Korea earlier, on 25 May.

These reports have prompted various rumors of secret inter-Korean contacts circulating within the ROK Government and economic circles. Among them, there is a plausible rumor that a figure with real power in the current ROK regime might have met with Chang Song-taek, a brother-in-law of Kim Chong-il, who is called Kim Chong-il's right hand.

There is also an assumption that the United States, which does not want South and North Korea to hold secret contacts without itself, has intentionally spread the groundless rumors to see if it is true South and North Korea held secret contacts.

However, the Ministry of National Unification strongly denies this, saying: "We understand there has been no secret contact between South and North Korea." As regards this, a government official asked on 6 August: "If there had been secret contacts between the South and North, could it have been possible for the president to say in June that North Korea had diverted the rice provided by us last year?"

North Korea, which has remained silent in connection with this matter, denied the rumors on secret contacts through the Committee for the Peaceful Reunification of the Fatherland, which stated (through Pyongyang radio on 5 August): "There have never been secret negotiations between special envoys there in Beijing, nor do they exist now."

Despite the denial by both the South and North Korean authorities, however, the rumors of secret contacts are not likely to disappear because there is a precedent for secret contacts between South and North Korea, and because in nature, secret contacts are not easily revealed.

ROK: PRC Boat Captured for Violating Territorial Waters

SK0308124396 Seoul YONHAP in English 1206 GMT 3 Aug 96

[FBIS Transcribed Text] Inchon, Aug. 3 (YONHAP) — Maritime Police captured an 84-ton Chinese fishing boat with 11 crewmen abroad for violating the territorial waters off this port city Saturday.

Police patrol boats found the Chinese ship illegally fishing 3.5 miles into the territorial waters 8.5 miles southwest of Taechong Island at 1:40 PM [0440 GMT].

The captured boat will be towed to Inchon on the morning of Sunday for investigation, the police said.

The ship is the fifth Chinese boat captured for violating the territorial waters so far for this year.

ROK: Movement To Improve Taiwan Ties 'Gathering Steam'

SK0408010596 (Internet) The Digital Chosun Ilbo WWW in English 1201 GMT 3 Aug 96

[FBIS Transcribed Text]

Ruling Party Members Try To Improve Taiwan Relations

A movement to improve relations between Taiwan and Korea is steadily gathering steam in the National Assembly.

The Taiwanese Embassy was withdrawn from Seoul in August 1992, the Taiwanese government saying that though there were limits to the political regime operating there would be everlasting friendship between the nations.

The forerunner of the movement is National Assemblyman Chong Chae-mun. He attended the inauguration ceremony of Taiwan leader Li Teng-hui last May as an unofficial celebration emissary.

It is known that Rep Chong met President Li and suggested the restoration of an airline agreement between the two countries. There are no direct flights between Seoul and Taipei.

Rep Chong said that 200,000 visitors per year travel via third countries to and from Taiwan and Korea. He said that in the situation where $12 billion of annual trade takes place, recufication of this problem is most pressing.

Last week No Son-u, Chairman of the International Co-Operation Committee, issued an official invitation to the chief of the Asia Department of the Taiwan Foreign Ministry to visit Seoul.

ROK Opposes Japan's Consolation Money to 'Comfort Women'

SK0708085196 Seoul YONHAP in English 0620 GMT 7 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 7 (YONHAP) — South Korea has reiterated its opposition to Japan's attempt to solve the comfort women issue by using a civilian fund to pay consolation money to the victims without an official apology and compensation from the Japanese Government, a Foreign Ministry official said Wednesday.

The position was delivered to the members of the Asia Women's Fund for Peace when they visited the Foreign Ministry Monday to ask for a list of the former comfort women, who were forced to act as prostitutes for Japanese soldiers during World War II. The fund was organized last year with the support of Tokyo to raise funds for surviving comfort women.

"We refused to hand over the list of about 160 former comfort women and told them that it is undesirable for the women's fund to push ahead with its plan to pay the consolation money when most of the victims strongly oppose the plan," the official said.

The list of former comfort women is needed to identify them before two million yen is paid out to each of the victims.

An office within the Japanese Embassy in Seoul to receive applications from former comfort women for the consolation money is apparently being set up as soon as possible, probably on Aug. 15, a national holiday commemorating Korea's liberation from Japanese colonial rule, the official said.

Director Yi Chu-hom of the ministry's Northeast Asian Division I said, "It will not be easy for them to start their plan to pay consolation money in the face of strong opposition from the victims and their supporters and without support from the South Korean government."

"Our position is that the Japanese Government solve the comfort women issue in a manner which is acceptable to and has been demanded by the victims themselves."

The former comfort women and their supporters have insisted that the Japanese Government acknowledge legal responsibility for the atrocities committed to the victims, pay compensation and not consolation money to the victims and punish those involved in conscripting such comfort women.

"The South Korean Government also supports the report of the United Nations special rapporteur adopted last April during a General Assembly of the UN Human

Rights Committee," said Director Pae Yong-han of the ministry's Human Rights and Social Affairs Division.

Pae said that Seoul has expressed its official position on several occasions, indirectly demanding that Tokyo acknowledge legal responsibility for the damage done to the victims and compensate them accordingly.

The UN report held the Japanese Government responsible for the atrocities inflicted on the comfort women and urged it to pay compensation.

The Japanese Government, however, refuses to admit responsibility, claiming that the resolution that the UN Human Rights Committee adopted was one on violence against women and not a resolution on comfort women. It cited that the comfort women issue was affixed to the report on violence against women.

Ministry officials did not expect that the Japanese will push hard for their plan to pay the consolation money in South Korea and Taiwan, where opposition is strong to the Asia Women's Fund for Peace.

They said that Tokyo will not risk damaging its relations with Seoul and Taipei by pressing for the plan amid strong opposition, although it is theoretically possible for the members of the fund to meet each of the victims to persuade some of them to accept the consolation money, which most of the victims strongly oppose.

In the Philippines, however, the situation is different, according to the officials, with one saying, "I understand that many of the Filipino victims want to accept the consolation money and the Japanese may start distributing money there."

A spokeswoman for the Association of the Bereaved Families of Victims of the Second World War admitted that several of the former comfort women seemed to want to accept the consolation money, although they have yet to publicly express the desire.

"Money is a thing needed by everybody and the Japanese want to take advantage of the weak mind of the elderly comfort women by contacting them personally," said the spokeswoman.

She did not, however, expect the Japanese to push ahead with the consolation money for fear of the possibility of aggravating relations between the two countries, although she admitted that several of the victims may actually receive the money once Japan proceeds with the consolation money.

The position of her association and other supporters of the former sex slaves is that the victims may wait a little longer to press Japan to accept legal responsibility and pay government-level compensation, she said.

She was sorry that her association and other supporting groups could not provide material support to the victims while urging them to refrain from accepting the consolation money.

She pointed out, however, that Seoul has already paid five million won to each of the more than 160 former comfort women as well as monthly allowances of 250,000 won each.

ROK: NCNP Asks Seoul To Urge Human Rights Team in Indonesia

SK0308084896 Seoul YONHAP in English 0801 GMT 3 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 3 (YONHAP) — The main opposition National Congress for New Politics (NCNP) has called on the government to demand that the UN Human Rights Commission send a fact-finding mission to Indonesia in connection with its political turmoil.

In a staff meeting held over the weekend, the NCNP decided that the government should show a strong interest in the Indonesian situation.

The opposition party will also send letters to the Indonesian Embassy here and Amnesty International, asking for their efforts at settling the political unrest in Indonesia.

ROK: Malaysia Accuses Seoul of 'Unfair' Trade Practices

SK0308111696 Seoul THE KOREA TIMES in English 3 Aug 96 p 8

[FBIS Transcribed Text] Malaysia has complained that Korea has 20 to 50 percent high tariffs on its tropical fruits and canned products.

It also criticized the nation for imposing a 10 to 100 percent special consumption tax and 30 percent education tax on its electronics appliances and deluxe furniture.

According to the Korea Trade-Investment Promotion Agency (KOTRA) yesterday, Malaysia complained releasing the cases of "unfair" trade practices on its products by its major trading partners and developed nations.

In the release, Malaysia also asserted that Korea has inflicted the "high" tariff on its fruits like bananas, pineapples and other fishing products like shrimp and canned goods. It also alleged that Korea also imposed 15 percent customs duties on its veneer boards.

ROK, India Agree To Open Seoul-New Delhi Route Twice a Week

SK0208013896 Seoul THE KOREA HERALD in English 2 Aug 96 p 8

[FBIS Transcribed Text] Korea and India agreed Wednesday to allow a Korean airline company to operate Seoul-New Delhi route twice a week at the aviation talks in New Delhi held July 30-31, the Ministry of Construction and Transportation said yesterday.

The agreement will bring the total number of regular passenger flights by Korean carriers between the two countries to four times a week. India's national-flag carrier, Air India, has not launched a passenger service to Seoul yet.

Under the aviation agreements concluded in 1991, Korean Air has operated passenger service linking Seoul, Bangkok and Munbai, formerly Bombay twice a week.

The ministry has yet to decide which airline will fly the new route. Asiana Airlines was granted the right to fly to New Delhi in 1992, but reserved the right because of insufficient demand. The right was canceled the following year.

To make the newly-opened Seoul-New Delhi route more profitable, a stopover will be made in Bangkok or Macau.

Wednesday's agreements were signed by Kim Kwang-chae, director of international air transport division at the Korean Ministry of Construction and Transportations and Nil Baijal, chief of aviation policy bureau of India's Ministry of Civil Aviation and Tourism.

Regarding air traffic between Korea and India, cargo transport has been more active than passenger service owing to the Indian government's "open-sky" system for air cargo service.

In cargo service, Korean Air has conducted a total of nine services a week to three points—Madagascar, New Delhi and Munbai.

ROK: OECD Decides To Conduct Agricultural Sector Review

SK0208020596 Seoul THE KOREA TIMES in English 2 Aug 96 p 8

[FBIS Transcribed Text] The Organization for Economic Cooperation and Development (OECD) has decided to conduct a country review on Korea's agricultural sector in late September.

According to the Ministry of Agriculture, Forestry and Fisheries yesterday, the OECD will send agricultural experts. to this end for examination of the nation's farm sector ahead of it's entry into the international organization.

The OECD originally planned to carry out the review in May but delayed it until late September, a ministry official said.

Although the review is not directly related to the nation's admission into the OECD, it has significant meaning in that it will be used as an official date for appreciation of the nation's agriculture, said the official.

The OECD experts will focus on the producers subsidy equivalent (PSE) and consumers subsidy equivalent (CSE), in addition to major policies on agriculture, land price and income support measures for farming households.

ROK: EU Ends Probe Into Alleged Dumping of PET Film

SK0308020696 Seoul THE KOREA ECONOMIC WEEKLY in English 5 Aug 96 p 9

[FBIS Transcribed Text] The European Commission, the EU's executive body, ended its probe into the allegation that PET (polyethylene terephthalate) film imports from Korea were dumped into the region, KOTRA's [Korea Trade and Investment Promotion Agency] Brussel office reported.

According to the report, the withdrawal came in the wake of the European Commission's one-year anti-dumping investigation which found no evidence that Korean-made PET film was hurting the EU's industry.

The commission also announced that it will extend the temporary tariff exemption on CD-ROM [read only memory] drives from Korea, which expired on June 30, without a specified termination date, the Brussel office reported.

ROK: Exports Experience Jul Negative Growth

SK0308062096 (Internet) The Joong-Ang Ilbo WWW in English 3 Aug 96

[FBIS Transcribed Text] The export situation is deteriorating. For the first time in 42 months their rate of increase recorded minus growth and the trade deficit during the period from January to July topped 10 billion dollars.

Exports in July amounted to 10.156 billion dollars, down 3.1 percent from a year ago. It was the first time that exports decreased since January 1993.

Imports, which shrank in June (-1.1 percent), soared 13.7 percent in July, reaching 12.855 billion dollars, according to a preliminary tally by the Ministry of Trade and Industry Thursday. This means that the trade deficit reached 2.698 billion dollars in July, an all-time high for a single month.

ROK Daily Warns Against 'Escalating Protectionist Sentiments'

SK0408080796 Seoul THE KOREA TIMES in English 4 Aug 96 p 9

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] Escalating protectionist sentiments and exaggeration of the country's economic woes might scare away foreign lenders and investors whose role has become critical in the progressively liberalizing Korean economy, analysts warn.

Pak Yong-chol, president of the Korea Institute of Finance [KIF] and a prominent economist, believe that the real crisis in the Korean economy might be engineered by "unexpected dumping of Korean stocks and suspension of loans to Korea by foreign investors and lenders."

He said the role of foreign investors and lenders has become critical as the economy is more open than before, urging the government and interest groups not to exaggerate economic problems by calling the situation a crisis.

They said any policy shift toward protectionism will anger foreigners, forcing them to dump local stocks and stop lending to Korea. This will invite real economic crisis for the Korean economy in the future.

Sense of Crisis

By instilling a sense of crisis, the government hopes to encourage people to tighten their belts. But the recent hoo-ha over the "economic crisis" in Korea has created undue concern among foreign investors and foreign lenders.

Despite the widening trade deficit, a consensus view of foreign analysts was that Korea's economy has not reached a point of crisis. Foreign lenders and investors, puzzled by the recent allegations, have begun to look again at macro and microeconomic data to check whether their judgments were wrong.

KIF President Pak said "As the economy becomes more open and liberalized, the role of foreign investors has become critical in the Korean economy."

He suggested the government and the media refrain from "exaggerating" the current temporary economic woes and call them a "crisis."

Such sloganeering may be effective in discouraging the people from over-spending or living beyond their means. But the unexpected negative effects of the exaggerations have led foreigners to have second thoughts about their Korean lending and investment policies, Park said.

He questioned what would happen if foreign investors suddenly sold billions of dollars worth of Korean stocks in a matter of days.

A chain reaction would be started, forcing Korean investors to follow suit, he said. The stock market would descend into chaos. This chaos would spread through the economy and the financial system, posing a real danger to the economy.

Worst Case Scenario

Pak said the worst-case scenario is only a remote possibility, adding, "We have no reason to exaggerate or downplay emerging economic problems."

He said an "attempt to arrest the three rabbits" (price stability, high growth and trade surplus) will fail. Placing emphasis on reducing the current account deficit will result in a slowdown in economic growth and hikes in inflation, he noted. This will let loose all of the three rabbits, he added.

He noted that a current account deficit, as long as it is manageable by a growing economy, has advantages as it stabilizes inflation.

When the economy was closed, foreign investors played a marginal role in changing the direction of the economy. But the story is different now with foreign stock investment topping 20 billion dollars, about 15 percent of all stocks on the Korea Stock Exchange.

Looking Closely at Risks

The internal hullabaloo over the worsening economic "crisis" has hurt local banks and firms borrowing money or raising capital overseas as foreign investors are looking closely at the risks associated with individual borrowers and issuers, a Korea Long-Term Credit Bank official said.

The nation's top economic policymaker Na Ung-pae is having a tough time harmonizing the views of protectionists and advocates of market-opening as the economy takes a few hits.

Protectionists are raising their voices, picking on the Organization for Economic Cooperation and Development (OECD) as one of the major reasons the nation's economic performance has worsened with its allegedly dogged market-opening pressure on Korea.

Market-Opening

Protectionist sentiment reached its peak last week as the Ministry of Finance and Economy unveiled its timetable on the opening of eight sensitive sectors in a letter to the Paris-based club.

Major dailies described the market-opening move as a "yielding to foreign pressure." However, Korea has been more careful than Mexico in meeting the OECD's 148 codes on capital movement, a barometer of the degree of openness of OECD member countries.

When Mexico was admitted into the OECD in 1994, it reserved the right not to liberalize 41 codes. Korea will retain controls on 53 capital flow codes although a timetable has been set for removing them later, according to Deputy Finance-Economy Minister Om Nak- yong.

Mounting Political Pressure

Under mounting political pressure, Deputy Premier Na Friday [2 August] announced plans to initiate a frugality campaign, urging the people to spend less and save more. The program might invite strong criticism from foreign trading partners if it leads to an anti-consumption campaign, Western businessmen said.

Yet Deputy Premier Na has so far been adroit in distinguishing frugality from anti-consumption attitudes. He emphasized the frugality campaign needs to be initiated through market-oriented methods like giving tax breaks on long-term deposit accounts.

The government said it will join hands with consumer protection groups and economic organizations to launch the thrift drive. But it is still unclear whether consumer groups, some of which are financed indirectly by the state, will stick to the principle of not picking alleged extravagant foreign goods and making "scapegoats" of them.

Frugality Campaign

George Williams, president of the American Chamber of Commerce in Korea (AmCham Korea), said that as long as the frugality campaign is purely voluntary and not linked to an anti-consumption drive against foreign products, it may not be bad for Korea.

But the drive should not lead to the driving out of foreign products here, he indicated in a recent "warning" letter sent to the Office of National Tax Administration and other government agencies.

ROK: Ex-Professor Pak Elected ITLOS Judge at UN Meeting

SK0208022296 Seoul YONHAP in English
0145 GMT 2 Aug 96

[FBIS Transcribed Text] New York, Aug. 1 (YONHAP) — Former Korea University Professor Pak Chun-ho was Thursday elected to be one of 21 judges of the International Tribunal for the Law of the Sea (ITLOS) which will be launched in next October to deal with disputes on territorial waters and rights to marine and seabed resources within 200-mile exclusive economic zones (EEZ).

Pak received 69 votes at a meeting of 100 signatories of the United Nations Convention on the Law of the Sea which was held at the United Nations headquarters here. Pak needed 67 votes, two- thirds of the total ballots, to be elected.

Of the eight candidates nominated from Asia, Dr. Chandrasekhara Rao of India and Japan's Yamamoto Shoji, professor at Sophia University, were also elected ITLOS judges. Candidates from China, the Philippines, Sri Lanka, Lebanon and Cyprus failed to receive enough votes for an ITLOS seat during the first election session.

For reasons of geographical distribution, five seats were allocated to the Asian group, the same number to Africa's, four each to the Caribbean and Latin America and Western Europe and three to Eastern Europe.

Other successful candidates were from Tunisia, Tanzania, Brazil, Argentina, Grenada, Germany, Russia, Bulgaria and Croatia.

The meeting elected 12 judges during the first election session and a second session will be held later in the day to elect nine more judges.

Pak and the other ITLOS judges will deal with disputes related to the interpretation and application of the United Nations Convention on the Law of the Sea which guarantees 12-nautical-mile territorial waters, as many miles of contiguous zone and 200-nautical-mile exclusive economic zone (EEZ).

Signatories to the convention are guaranteed the right to exploit minerals and other seabed resources as well as fishery resources within 200 miles from their coastlines.

ITLOS will be officially launched Oct. 18 and will be headquartered in Hamburg, Germany. The tenure of judges is nine years in principle but each group of the seven first generation judges will be allowed to hold their posts for three, six and nine years respectively so one-third of the full ITLOS members could be replaced every three years.

ITLOS judges will be eligible for the same diplomatic privileges and benefits that International Court of Justice (ICJ) judges receive.

The United Nations Convention on the Law of the Sea calls for its members to bring any disputes related to territorial waters or ri[illegible] to development or resources in EEZ to ITLOS, I[illegible], the arbitral tribunal or the special arbitral tribunal.

A graduate of Seoul National University's political science department, Pak Chun-ho studied applied linguistics and received his doctorate in international law at Edinburgh University, Britain.

A widely acknowledged scholar in the law on the sea, Pak actively participated in most of the third United Nations conference on the law of the sea sessions and has published numerous books and articles on the law on the sea in English, French, Japanese, Chinese and Korean.

ROK Decides To Conduct Full Nuclear Inspections Regularly

SK0308070896 Seoul THE KOREA HERALD in English 3 Aug 96 p 3

[FBIS Transcribed Text] The government has decided to carry out regular full-scale inspections on nuclear reactors, nuclear fuel manufacturers and other related facilities in this country the Ministry of Science and Technology announced yesterday.

For this, the ministry has worked out regulations on management protection of nuclear substances and other details, including how and when to conduct inspections.

Following the regulations, any company wanting to use nuclear substances is required to fill out documents and receive permission from the science minister while the ministry is obliged to implement regular inspection for safety checks.

The ministry's measure reflects the government's more active attitude toward nuclear inspection.

Thus far, the government has not put much emphasis on the inspection of domestic nuclear facilities. Instead, the government has helped the International Atomic Energy Agency (IAEA) passively carry out inspections on them.

At present 16 nuclear facilities have been under inspection by the IAEA, which has made efforts to keep nuclear weapons from spreading further under an international treaty which Korea signed.

ROK: Flood Damage Repair 'Hampered' by Lost Shells, Explosives

SK0208013196 (Internet) The Digital Chosun Ilbo WWW in English 1206 GMT 1 Aug 96

[FBIS Transcribed Text] Efforts to repair flood damage caused by torrential rains in Yonchon, Kyonggi province were hampered Thursday due to the discovery of several lost mines and shells which had been swept away from their original storage place on a military compound. The hand of an army soldier engaged in restoration work was injured due to the explosion of an anti-personnel mine. In the morning of the same day, four 105 mm shell, four 155 mm shell, and eight shells for training were found. On Wednesday, farmers found an additional missing M-14 mine. Five explosives have been found to date in the Yonchon area.

ROK: Lawmakers Assigned Assembly Councils, Associations

SK0708084996 Seoul YONHAP in English 0750 GMT 7 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 7 (YONHAP) — The incumbent 15th National Assembly has completed assigning lawmakers to four parliamentarians councils and 65 friendship associations in a bid to help improve relations with counterpart countries.

The four parliamentarians councils involve the United States, China, Russia and European Union [EU], each council comprising 30 South Korean lawmakers, except one with the United States that is composed of 50 legislators.

Parliamentarians friendship associations involving other countries comprise six to eight South Korean lawmakers.

Lawmakers' diplomatic activities with Japan, however, are conducted by the Korea-Japan Parliamentarians Union, which is headed on the Korean side by Rep. Kim Yun-hwan and comprised of 197 legislators from Seoul.

Three ruling New Korea Party (NKP) lawmakers and one United Liberal Democrats [ULD] legislator have been appointed to head the four parliamentarians councils. They are Rep. Sin Sang-u of the NKP (the United States), Rep. So Sok-chae of the NKP (Russia), Rep. Chong Chae-chol of the NKP (China), and Rep. Yi Tong-won of the ULD (Europe Union).

The ruling party and the major opposition National Congress for New Politics [NCNP] have been assigned two each vice chairmanship of the councils, while the second largest opposition United Liberal Democrats one vice chairmanship each.

NKP lawmakers appointed council vice chairmen are Choe Pyong-yul and Han Sung-su (the United States), Yi Kang-hui and Kim Hyong-o (China), Ha Sun-pong and Yi Ung-son (Russia), and Sin Kyong-sik and Kim In-yong (EU).

Their NCNP counterparts are Yu Chae-kun and Pak Sang-chon (the United States), Kim In-kon and Yi Hae-chan (China), Yi Hyop and Yim Pok-chin (Russia), and Kim Chin-pae and Chang Che-sik (EU).

The four ULD Parliamentarians Council vice chairmen who were named are Kim Yong-hwan (the United States), Kim Pom-myong (China), Kang Chang-hui (Russia) and Kim Hyon-uk (EU).

The Parliamentarian Councils convene a joint session with their counterparts once a year to discuss pending bilateral issues and ways of promoting mutual friendship. Civil servants and businessmen may also take part in the sessions.

Five NKP lawmakers have been named to chair Parliamentary Friendship Associations. They are Kang Sam-chae (Britain), So Chong-won (Canada), Kim Tok-yong (Uzbekistan), Choe Hyong-u (Thailand), and Yi Han-tong (France).

Three NCNP Friendship Association chairmen named are Kim Sang- hyon (Mongolia), Kwon No-kap (Austria) and Kim Yong-pae (Denmark).

Four ULD legislators have been named to chair parliamentarian friendship associations. They are Kim Pok-tong (Ireland), Chong Sok-mo (Norway), Han Yong-su (Poland) and Pak Chol-on (Germany).

The Parliamentarians Friendship Associations hold joint meetings with their counterparts once every four years.

ROK: Pak Chang-chong Criticizes Government, NKP for Attitude

SK0708090996 Seoul YONHAP in English 0642 GMT 7 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 7 (YONHAP) — Presidential aspirant Pak Chan-chong of the ruling New Korea Party (NKP) criticized leaders of the administration and his party for their allegedly "don't-rock-the-boat" attitudes.

In an interview carried in the latest issue of the WEEKLY CHOSON [CHUGAN CHOSON] which appeared at newsstands Wednesday, Pak said he could hardly find any one who is doing his best to do his job and to assist the president in the cabinet, the Chongwadae [presidential offices] staff and the NKP leadership.

Asked when his party should raise the issue of presidential nomination for next year's election, Pak, who failed in his presidential bid in 1992, said, "This is not the right time to raise the issue, and I think the party will begin to discuss the issue as a matter of course after the National Assembly closes the regular budget session, or at the turn of the year."

He added, "I'll do my best, for I think this will be my last chance."

Commenting on Rep. Yi Hoe-chang's call for an early nomination of the presidential candidate for next year's election, Pak said, "I think he meant an early nomination convention of the party when he called for an early nomination, and I have no choice but to oppose his view because I haven't yet had a chance to get in touch with convention delegates."

He hinted at his wish to have the format of selecting presidential candidate set forth by the party chapter by saying, "The more delegates, the better will be the nomination convention." He also said that he will respect the outcome of the convention even if he fails to win support of President Kim Yong-sam.

Asked about President Kim Tae-chung of the opposition National Congress for New Politics, he said, "President Kim is still a formidable rival, though many people say the ruling party would have an easy election if he runs from the opposition camp. For the ruling party to win the coming election, it must select a candidate who will attract voters in the Kyongsang and Seoul areas and who has a fresh vision of generational change in politics."

ROK: NCNP Seemingly 'Appalled' at Loss in Yochon By-Election

SK0708013996 Seoul THE KOREA TIMES in English 7 Aug 96 p 2

[From the "Press Pocket" column: "Surprising Outcome"]

[FBIS Transcribed Text] The major opposition party, the National Congress for New Politics [NCNP], looks appalled with the defeat in the by-election of the chief of Yochon, Chollanam-to, because the NCNP nomination in the area had been regarded as the election itself.

To the surprise of the NCNP led by Kim Tae-chung, which is strong in the southwestern Cholla provinces, NCNP candidates for the chief of Yochon county and provincial councilor were defeated in the by- elections held on Monday.

The winners were independents. They were Chu Song-yong for Yonchon county chief and Kim Kil-pong for provincial councilor. They gave up their NCNP membership after failing to get party nominations, and ran as independents in the by-elections.

Questions within the party about what the party must do, having failed to catch the undercurrent grassroot opinion in its home base, are abound

One of the voices emerging from the in-house criticism belongs to Rep. Han Hwa-kap, chief of the Chollanam-to provincial chapter of the party. He hurriedly released a statement yesterday in which he said a deep self-examination was necessary.

However, he alleged that the by-elections were in fact a game between members of the NCNP, slighting the alleged seriousness of the NCNP defeat.

Then other party members joined him saying that the defeat had nothing to do with the support party leader Kim commanded in the area.

However, the ruling New Korea Party [NKP] appears to be giving political meaning to the unexpected outcome of the elections.

NKP secretary-general Kang Sam-chae said NCNP leader Kim visited Yochon on the eve of the elections. NCNP secretary-general Han Kwang-ok had stayed in the area directing the election campaign. When considering the efforts the NCNP exerted to rally support behind the NCNP candidates, the defeat is not a simple thing, he said.

Other NKP leaders feel like believing the defeats are a sign that the general public is turning away from NCNP leader Kim.

ROK: Chon, No Trial for Mutiny, Treason Detailed

SK0208012796 (Internet) The Joong-Ang Ilbo WWW in English 2 Aug 96

[FBIS Transcribed Text] The 26th trial session of 16 co-defendants charged with mutiny and treason took place Thursday. Seven witnesses were questioned including Yi Sang-kyun, former battery commander of the 20th Army division ordered to quell the May 18, 1979 Kwangju uprising.

However, the court decided to question on August 5 only 1 of the 51 witnesses who have not been questioned yet. A total of 91 people had been selected as witnesses for the ongoing trial. This signifies a de-facto conclusion of the questioning of witnesses. Accordingly, prosecutors will demand sentencing for 16 defendants including former Presidents Chon Tu-hwan and No Tae-u at the 27th trial session scheduled to be held 10:00 a.m. [0100 GMT] on the 5th.

ROK Daily Details Fair Trade Commission's Revision Bill

SK0708013896 Seoul THE KOREA TIMES in English 7 Aug 96 p 9

[FBIS Transcribed Text] Chaebol will be obligated to combine all equity holding owners, family members, relatives and other subsidiaries including financial and insurance companies, have in any listed company when they report share ownership to the Fair Trade Commission [FTC].

This will effectively bar chaebol from hiding their equity investment in other companies. This will also institutionally prohibit chaebol from launching hostile bids through non-transparent methods.

Executives of firms asking their distribution units to maintain a resale price and sign unfair international contracts will no longer be subject to criminal indictment. Instead, they will be fined in amounts up to 3 percent of their sales amount, up from the current 2 percent limit, the FTC said.

An informant on collective cartel-like unfair trading will be given a waiver in criminal and financial sanctions even if he was part of the unfair collective corporate activity, the commission said. This is designed to encourage cross monitoring or vigilance against a collective and collusive corporate behavior, it said.

The commission will also be empowered to issue "preliminary orders" to any firm to suspend a specific law-breaking business practice even before it makes a definite ruling on the violation of the fair trade rules.

The commission will set in motion a mini-committee so that it can conclude complaints about petty anti-competitive and unfair practices in a swift way. External experts will be recruited as members of the decision-making committee.

Witnesses giving false testimony before the committee will be fined. The maximum period that petitioners can demand compensation from damage, linked to the Fair Trade Act will be extended to three years, triple the current one year limit.

Those distorting, hiding or pilfering corporate documents and thus hindering the commission's investigation will also be fined, the commission said.

The commission said the competition policies are no longer a part of an overall economic policy. It is the fundamental principle that lies at the head of all economic policies.

It said the revision is aimed at promoting competition in every nook and cranny of corporate activity, thus enabling enterprises to conduct business in an autonomous and creative atmosphere.

It is also intended to revamp the oligopolistic and monopolistic anti-competitive economic structure and ease the concentration of economic power in the hands of chaebol. The operation of the commission will be more transparent and neutral than before to establish an advanced fair trading system in Korea.

The commission's revision bill fails to touch on a sensitive area that has pitted the prosecution against the Fair Trade Commission. The prosecution has long demanded that they be given the right to bring criminal action against white collar businessmen engaged in unfair trading.

But under the current law, prosecution can initiate criminal investigations into white collar economic crimes only when the Fair Trade Commission refers the case to the prosecution.

ROK Editorial Comments on Fair Trade Commission's Moves

SK0708022096 (Internet) The Digital Chosun Ilbo WWW in English 1201 GMT 6 Aug 96

[Editorial: "Fair Trade Commission Taking On The Conglomerates"]

[FBIS Transcribed Text] The shortcomings and adverse side- effects attributable to the unique ownership and management structure belonging to Korea's conglomerates is well-known. Despite this, in an age of unlimited competition there is only one way in which the government may moderate the behaviour of the conglomerates. It may be possible to do so through tax system reform however too much time would be consumed in the process; rather the government's only option is to embed and implement a policy of fair trade.

The gradual step-by-step reduction and removal within five years of the entitlement of subsidiaries of conglomerate groups to guarantee each other's debts which is encompassed in the submitted revision to the Monopoly Restriction and Fair Trade Law is particularly meaningful. The mooted revisions are apt at a time where conglomerates have through the cross-guaranteeing of subsidiaries' loans been able to indiscriminately expand their business operations and financial capital through the misuse of monopoly positions. Even so, there are a considerable number of exceptions to the cross-guarantee restrictions in connection with, for example, loan assistance and industry rationalization which carry great scope for abuse hence the bill ought to be reexamined in this regard.

Strengthening the regulation of inter-subsidiary trading/dealings through the revision is similarly prudent. It is widely known that such dealings bring about unfair competition in this country. The revised laws takes regulation one step further by sanctioning against transactions relating not only to goods and services but those that concern assets and capital. The problem is how to detect unfair inter-subsidiary asset and capital transactions. In this regard political will to exterminate unfair practices will be every bit as important as strengthened legal proscriptions.

A practical benefit of the revised law is that it contains mechanisms making it easier to distinguish and legally classify "family" companies which are for all extents and purposes operated and managed independently. Dealings between such companies should, as the revision justly requires, be regarded as inter-subsidiary although it would be desirable if the conditions required to be satisfied before a subsidiary situation is discerned were made more objective and general.

Finally, the introduction in the Bill of increased competition within the many spheres of our economy will inevitably induce increased national competitive strength.

We hope that the revised Fair Trade Law will be a starting point for the solution of problems concerning the conglomerates and the bedding down of an accelerated competition-oriented economic structure.

ROK Ministry: Forfeited Land Increases State Land Ownership

SK0708045696 Seoul YONHAP in English 0239 GMT 7 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 7 (YONHAP) — The amount of land turned over to the state over the past 10 years totals 568 million pyong (1.87 billion square meters), the Finance and Economy Ministry said Wednesday.

This new state-owned land is mostly from lots whose actual owners could not be determined since 1985 or which were still in the name of Japanese, it noted.

In Sept. 1992, the government conducted the second phase of its survey to liquidate land having no owners through claim examinations and actual onsite surveys. As of June of this year, 1,009,659 plots of such land covering 722 million pyong (2,386 square kilometers) have either been nationalized or have been designated to government agencies to manage.

Of the total, the amount of newly-nationalized land is 984,000 plots covering 338 million pyong, 46.8 percent of the above total and accounting for 1.9 percent of the nation's total area of 30 billion pyong.

The government, in the first phase of its national land claim examination from 1985 to 1991, took over 354,000 plots covering 230 million pyong and in the ten-year period since 1985, it has taken over 568 million pyong.

A ministry official said that the second phase of the ministry's national land claim examination operations is still underway on 1,246,922 plots of land covering 930 million pyong (3,089 square km), whose actual owner cannot be determined or which have not had government agencies clearly assigned to manage them. Thus far, 81 percent of such operations has been completed, he added.

The Construction and Transportation Ministry has been designated to oversee the most land with 546,428 plots, followed by the Ministry of Agriculture, Forestry and Fisheries with 202,093 and the Finance and Economy Ministry with 198,273, he added.

By region, Kyonggi Province had the most land turned over to the government with 235,436 plots, followed by South Cholla with 184,654, North Kyongsang with 176,777, South Kyongsang with 150,744, Kangwon with 115,679 and Seoul with 34,322.

About 19,909 square km of land out of the nation's total area of 99,394 sq. km is state-owned, or 20 percent, compared with 23.7 percent in Japan, 28.6 percent in the United States and 69.4 percent in Taiwan.

Securing a sufficient amount of state-owned land will ensure stable operations of basic infrastructure such as freeways and railroads, which, in turn, promotes domestic industry, the official added.

ROK Ranks Fifth in Worldwide Crude Steel Production

SK0208012896 (Internet) The Joong-Ang Ilbo WWW in English 2 Aug 96

[FBIS Transcribed Text] Domestic production of crude steel in the first half of this year ranked world's 5th largest. The Korea Iron and Steel Association announced Thursday that domestic production of crude steel in the first half amounted to 19,596,000 tons, up 8.6 percent from the same period of last year.

China ranked 1st in the production of crude steel (48,881,000 t), followed by Japan (48,774,000 t), the United States (47,713,000 t) and Russia (37,984,000 t).

Burma

Burma says U.S. Growth Survey 'Politically Motivated'

MS0608135796 London FINANCIAL TIMES in English 6 Aug 96 p 3

[Report by Ted Bardacke: "Burma Junta Attacks U.S. Growth Survey"]

[FBIS Transcribed Text] Bangkok — Burma's military junta yesterday described a U.S. report on the country's economy as politically motivated. In its annual economic survey of Burma, the U.S. embassy in Rangoon says growth has been widely overstated by "misleading" accounting practices.

Defence spending now accounts for 41 per cent of all government expenditure and forced or involuntary labour is equivalent to about 3.1 per cent of the country's gross domestic product, the survey says.

The report, released yesterday, has been sharply attacked by officials of Burma's military junta, who say the report's attempt to correct statistical distortions caused by the country's dual exchange rate and by lack of reporting on military spending is politically driven.

The U.S. government has been the most vocal international critic of Burma's military regime because of its human rights record and its alleged tolerance of drug-trafficking activities. U.S. pressure groups have been at the forefront of a campaign to convince multinationals to withdraw from Burma.

Gen David Abel, Burma's economic development minister, said yesterday: "The intention of floating such a report is to seed doubt and cause mischief."

Defence spending was only 8-10 per cent of the national budget, he claimed. Official Burmese statistics make no mention of defence spending. Last year, the World Bank estimated defence spending accounted for 50 per cent of current government expenditure in fiscal year 1993-94 and 45.9 per cent in 1994-95.

Economists say the level of military spending is significant because it is the single most important factor in Burma's chronic fiscal deficit, which stands at 11.5 per cent of GDP, and in its 25 per cent annual inflation. Growing military imports, which the government stopped reporting three years ago, are also pushing up the country's external debt and are partly to blame for Burma's increasing external arrears, which the World Bank estimates at $1.5bn (1bn pounds), up 83 per cent from three years ago.

Exchange-rate adjusted economic growth for each of the past two years was 4.6 per cent, the U.S. embassy said, against 5.9 per cent and 6.8 per cent claimed by the Burmese government.

Burma: Than Shwe Receives Thai Foreign Minister, Delegation

BK0608152296 Rangoon Radio Myanmar in Burmese 1330 GMT 6 Aug 96

[FBIS Translated Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma] and commander in chief of the Defense Services, received Dr. Amnuai Wirawan, visiting deputy prime minister and foreign minister of Thailand, and his delegation at the Protocol Chamber of the People's Assembly Building at 1000 today.

Also present were: General Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services, and Army commander in chief; Lieutenant General Khin Nyunt, SLORC secretary- 1; Lt. Gen. Tin U, SLORC secretary-2; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, deputy prime ministers; Foreign Minister U Ohn Gyaw; U Hla Maung, Myanmar [Burmese] Ambassador to Thailand; and Thai Ambassador to Myanmar Poksak Nin-ubon.

Burma: Article Alleges Suu Kyi Disinterested in Domestic Affairs

BK0708014396 Rangoon MYANMAR ALIN in Burmese 6 Aug 96 p 4

[Article by Maung Thitsar: "Wonder of Wonders"]

[FBIS Translated Excerpt] "I don't read Myanmar [Burmese] newspapers at all and I don't listen to Radio Myanmar. I listen to BBC and VOA and read foreign newspapers."

Maung Thitsar heard it clearly. This was stated by Mrs Michael Aris [Aung San Suu Kyi], whom the Myanmar media has been recently labeling as the puppet princess, the West Maedawgyi, etc. According to her two minister followers [derogatory reference to National League for Democracy leaders U Tin Oo and U Kyi Maung], they do not read Myanmar newspapers because they contain only obscene articles.

I was involved in my own work so I was not interested in news from the newspapers about the soap opera on University Avenue Road where Mrs Michael Aris spoke with great political enthusiasm and vision to ruin the country and make the Myanmar people poor and miserable.

But, recently I came across articles in the newspapers about the unscrupulous "democracy" crowd attending the soap opera. The neighborhood suffered each week due to the rowdy "democracy" crowd — the fences were always damaged after the soap opera and litter created an ugly site and emitted a foul smell. In another incident the "democracy" crowd that was caught in the rain patronized a nearby so-called tea shop and consumed illicit liquor to warm themselves.

Some bus drivers, who earn their living driving buses for commuters, in performing their duties were unhappy due to road blocks and intimidation while a musician was unable to perform at a wedding reception because she was caught in a traffic jam after the soap opera.

Last week, out of curiosity, Maung Thitsar attended that soap opera. Immediately after hearing her say "I don't read Myanmar newspapers at all and I don't listen to Radio Myanmar. I listen to BBC and VOA and read foreign newspapers," words from a traditional song — "wonder of wonders" popped out of my mouth.

The speaker, clutching a microphone, continued to speak but Maung Thitsar, after hearing what she said, was left wondering.

There are no Myanmar ways in her, only Western. No wonder they write and talk about her that she is not interested in Myanmar, she doesn't study about Myanmar, and she doesn't think highly of the Myanmar, only of Westerners.

Maung Thitsar wonders "Why did she say this? Did she speak blindly because she didn't realize the adverse effect this would cause?" She didn't realize that she had admitted to the Myanmar public as alleged that "she is not interested in Myanmar, she doesn't study about Myanmar, and she doesn't think highly of the Myanmar but of Western broadcasting stations and newspapers."

Although it has been pointed out that "she has no political knowledge and strategy; that she couldn't walk peacefully along the straight political path", but when she mentioned that she did not read Myanmar newspapers she was clearly admitting her lack of interest in current Myanmar affairs — politics, education, economics, and social matters.

Maung Thitsar thought that since every politician in every country should know the politics, education, economics, and social ?matters of that countr9, then a controversy will arise why a person not interested in such matters should be a leader in a political party.

I was deep in my thoughts and I didn't hear what she was saying. Later, one of her minister followers appeared and reiterated that he also did not read [Myanmar newspapers] because they contained only articles. Maung Thitsar did not accept allegations without proof. After returning home, Maung Thitsar picked the past week's issues of the KYEMON and MYANMAR ALIN newspapers and reviewed them. The articles "Lordship blood or slave blood" and "What and where Aung San Suu Kyi?", which they considered obscene, appeared only one at a time in one newspaper. These articles are not obscene; they are true, and this coincides with the Myanmar saying; "the truth hurts more than being abused."

Other articles like "The general's [General Aung San — Aung San Suu Kyi's father] anti-colonialist will" and "The CIA's interference in Myanmar's affairs" are articles the Myanmar people should be aware of, especially so-called political leaders. These articles occupy about three or four pages of a newspaper with the rest split equally between local and international news.

Foreign news need not be read because it had already been covered by the BBC, VOA, and the English language press but news on Myanmar politics, economy, education, and social affairs could only be obtained by reading Myanmar newspapers and listening to Radio Myanmar. Any Myanmar politician, regardless of whether on the ruling side or the opposition, should always be studying and scrutinizing prevailing situations. [passage omitted explaining development news]

Persons who honestly admit their disinterest in Myanmar newspapers clearly show their disinterest in Myanmar's economic and educational matters. If a person is not interested in national projects beneficial to the Myanmar people that person's pledge for political development is meaningless.

Myanmar people are very much aware that the newspapers and broadcasting stations which those people rely upon are only producing fabrications and the stations are thus termed — foul air disposal departments. [passage omitted refuting human rights allegations and other fabrications]

In fact, Mrs Michael Aris and her colleagues need not read Myanmar newspapers. They need not study Myanmar's development to provide political leadership. They need not have any interest. Although Myanmar's political leaders should know all current events in Myanmar, the higher authorities [from the West] including her husband Michael Aris do not expect Mrs Michael Aris to become Myanmar's political leader. They also know that the Myanmar people will never accept a person with a foreign allegiance to be their leader. Maung Thitsar understands that what they really want is to create various disturbances and unrest in Myanmar which is steadily and peacefully marching towards the 21st century.

I would like to urge all patriotic party members, who want to be engaged in politics for Myanmar's benefit, to scrutinize and review what Maung Thitsar has presented.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Sanctions on Foreign Investors in Iran, Libya Viewed

BK0708132796 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 7 Aug 96

[FBIS Translated Text] Malaysia has criticized the U.S. decision to formulate a law to punish foreign firms that invest in Iran and Libya.

Foreign Minister Datuk Abdullah Ahmad Badawi said the act was in contradiction with the principle of sovereignty of other countries.

He said that the United States had taken a unilateral measure to protect its own interests. Malaysia will discuss this with other ASEAN member countries to stress ASEAN's stand on the matter before taking it to the Asia-Pacific Economic Forum in Manila in November.

Earlier, Datuk Abdullah received a courtesy call from his Australian counterpart, Alexander Downer.

During the meeting, they discussed, among other things, issues of common interest and efforts to improve bilateral ties between Malaysia and Australia.

Datuk Abdullah welcomed Australia's interest to cooperate in development projects in the Mekong Basin.

Malaysia: Mahathir Meets With Australian Foreign Minister

BK0708091096 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 7 Aug 96

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed received a courtesy call from Australian Foreign Minister Alexander Downer this morning. The Australian minister and his entourage arrived in Kuala Lumpur this morning for a four-day official visit. Australian High Commissioner John William Farmer accompanied Downer during the courtesy call. The two sides held talks for about 20 minutes on various issues, including the upcoming APEC summit meeting in Manila in November and bilateral trade, concerning which Australia expressed its desire to boost its agricultural and mining products. On its part, Malaysia called on Australia to bring the latter's construction technology to Malaysia.

[Begin Downer recording] I very much appreciate the fact that Dr. Mahathir made available 15 or 20 minutes for us to get together. I think it helps develop personal relationships, which are so important to bilateral relationships. [end recording]

Downer is also scheduled to hold talks with Foreign Minister Datuk Abdullah Badawi at Wisma Putra [Foreign Ministry] this evening.

Malaysia Moves To Reduce Current Account Deficit

MS0608123596 London FINANCIAL TIMES in English 6 Aug 96 p 3

[Report by James Kynge, including remarks by Malaysian Prime Minister Dr. Mahathir Mohamed: "Malaysia May Impose Import Curbs"; report includes graph]

[FBIS Transcribed Text] The Malaysian government warned yesterday that import controls may be imposed if a government- sponsored voluntary restraint scheme is not effective in reducing the country's current account deficit.

Dr Mahathir Mohamad, the prime minister, said quotas and import permits might be imposed to curb imports of non-essential goods. Increasing customs duties would be a better way of reducing imports than raising domestic interest rates, because domestic rate rises could damp investment, he said.

The Malaysian leader's warning comes as several east Asian countries, including Thailand and South Korea, are experiencing a slowdown in their export growth rate this year after having grown accustomed to rapid expansion.

Dr Mahathir did not indicate when controls might be implemented nor which "non-essential" goods might be subject to import controls. Observers said luxury consumer goods such as cars, clothes and alcohol were likely candidates.

Dr Mahathir's statement contradicted previous assurances from Malaysian officials, including Ms Rafidah Aziz, minister for international trade and industry, that controls would not be imposed on imports. Observers said Dr Mahathir's apparent change of heart reflected concern over the current account deficit.

Last year, Malaysia's current account deficit touched M$17.8bn [Malaysian dollars] (4.6bn pounds), which a leading think-tank last week forecast would rise to M$19.2bn this year. The main reason for the worsening trend was a recent falloff in exports, triggered mainly by a slowdown in global demand for electronic goods. But while export growth is expected to slow, Malaysia's deficit in the services component of the current account is likely to continue to climb.

The current account deficit, which last year accounted for 8.8 per cent of GNP, tends to apply downward pressure on the value of the ringgit. It indicates the country may be spending beyond its means and could run into debt problems.

Malaysia yesterday recorded a trade surplus of M$238.2m in May. This compared with a M$253.9m deficit in April and a M$1.34bn deficit in May 1995.

Singapore

Singapore: U.S. 'Lone Ranger Mentality' in Foreign Policy Noted

BK0708064896 Singapore BUSINESS TIMES in English 7 Aug 96

[Editorial: "Lone Ranger Against the World" — received via Internet]

[FBIS Transcribed Text] Whether it is Myanmar [Burma], Cuba, Libya, Iran, Iraq, or Sudan, the unmistakable message of a series of punitive measures taken or contemplated by U.S. President Bill Clinton and Congress seems to be that the world at large should have to pay the price of American prejudice.

Little wonder that even the European Union (EU), which is normally content to follow the U.S. lead, is up in arms against what is seen as American arrogance. Insult was added to injury when State Department spokesman Glyn Davies went so far as to warn the Group of Seven on the eve of its recent summit meeting to not so much as discuss the Helms-Burton Law under which the United States seeks to penalize foreign companies that invest in property seized by the Cuban Government after the 1959 revolution.

Not surprisingly, this arbitrary and unilateral action has raised hackles from Mexico to Malaysia. Even stronger protests can be expected if the United States goes beyond the present freeze on economic assistance to Myanmar and the authorization to Mr. Clinton to impose sanctions if the Nobel Peace laureate Aung San Suu Kyi is "harmed, rearrested for political acts, or exiled". With Pepsico's withdrawal, the Americans have little enough to risk in Myanmar, unlike the ASEAN countries which have staked a great deal on constructive engagement. They would certainly not be prepared to jettison a finely-tuned experiment in inducing gradual political change through economic growth merely to satisfy U.S. House Speaker Newt Gingrich and his Republican colleagues, or to enable Mr. Clinton to claim further foreign policy laurels in his re-election bid.

The connection with the election campaign was highlighted by the President's contortions over the Helms-Burton Law. The decision to allow the measure formally to go into effect from Aug. 1 was clearly intended to pander to the politically influential Cuban-American community which has been clamoring for action against Cuban President Fidel Castro. But, aware, too, of the antagonism of not only neighbors like Canada and Mexico, but also allies like Britain and France, Mr. Clinton ordained that lawsuits could not be filed before Feb. 1 next year.

Not that European governments are impressed by this legal sleight of hand. Denouncing the Helms-Burton Law as illegal, the EU [European Union] has threatened to impose visa restrictions on American business travelers, and to introduce legislation enabling European companies to countersue for any damages incurred under the new law. The EU will also take the dispute to the World Trade Organization.

Of course, self-interest underlies this resistance. Spain, France, and Italy account for a large share of the EU-Cuba trade, which was assessed in 1994 at $1.1 billion (S [Singapore] $1.6 billion). Similarly, the Iran and Libya Sanctions Act of 1996, threatening action against foreign companies that invest in the petroleum industries of either country, has provoked vigorous opposition in Europe.

Constructive Dialogue

The EU is absolutely right, of course, in arguing that sanctions are simplistic and ineffectual, and that a constructive dialogue would be much more pertinent. But this official position also does not acknowledge the extensive French, Spanish, Italian, and Belgian commercial interests in both Libya and Iran that really account for the refusal to go along with the United States.

Only a lingering Lone Ranger mentality can prompt the Americans to ride roughshod over everyone else's sensitivities. Perhaps, a less blunt approach will emerge after the presidential elections. Meanwhile, the United States seems to be drifting towards a collision not just with East Asia, as Bryce Harland warns in his book, Collision Course, but with the rest of the world. It is shooting from the hip on the OK Corral all over again.

Singapore: Editorial Views U.S. Labor-Related Sanctions

BK0708054296 Singapore THE STRAITS TIMES in English 7 Aug 96

[Editorial: "When It's Cruel To Be Kind" — received via Internet]

[FBIS Transcribed Text] Last week's White House Rose Garden ceremony to launch a campaign against garments manufacture worldwide was not lacking in human drama. It is because of the heart-wringing contrast between the glitter of haute couture and the drabness of sweat shops that President Bill Clinton's pledge "to produce tough criteria" to ensure that labor is not exploited and, if it is, that consumers know it, sounds so appealing. Celebrity interest has turned the subject into almost a staple of American infotainment. First, it was basketball star Michael Jordan who was accused of promoting Nike shoes, allegedly made for next to nothing in Indonesia. Then, a talk show host, Kathie Lee Gifford, was embarrassed by charges that her line of inexpensive clothing was made by low-wage, ill-treated workers. With names such as Van Heusen, Tweeds and Liz Claiborne ranged behind the President, the campaign is guaranteed to attract maximum publicity.

No one will begrudge it if this stands Mr. Clinton in good stead in the run-up to the two party conventions. In giving trade unions and others six months to report back on how to ensure that clothing workers in the US and elsewhere are treated humanely, he has demonstrated an astute sense of timing, for the presidential election campaign will be in full swing by then. Action that is taken to protect underpaid and overworked labor, especially in the New York and San Francisco areas, is expected to go down well with voters, though it may be wondered how popular such moves will really be if the beneficiaries are immigrants, and illegal immigrants at that. But that is between Mr. Clinton and his campaign managers. There is, however, a dimension beyond the domestic, and that is where the US, already at odds with allies and trading partners over issues involving Cuba, Myanmar [Burma], Iran and Libya, might find itself isolated once again.

There would have been no danger of this if the Americans were not also lobbying actively to extend the campaign against poorly paid labor to the World Trade Organization (WTO), whose first ministerial conference is set for Singapore in December. In theory, the concern that inspires this move may sound admirable. In practice, it can only compound distress. In their zeal to tilt a moral lance at the windmills of abuse and exploitation, the Americans also overlook that, in the International Labor Organization (ILO), the world already has a body to oversee labor compliance. By making that ,a condition of WTO membership, the US would only duplicate responsibility and distract attention from the new organization's principal objective of promoting global trade liberalization. Countries that do not yet measure up to the high standards sought to be imposed would also be exposed to the WTO dispute-settlement mechanism, and possibly to sanctions.

In fact, the US proposal to proclaim five desirable "core" labor standards, and to set up a WTO committee to examine the links between trade and the observance of these standards, seems specially designed to imprison the poor in eternal poverty. Though fighting tooth and nail against new American laws to punish those who do business with Cuba, Iran or Libya, several European Union countries are prepared to go along with this imposition. If offered in good faith, their support must be rooted in instinct rather than reason. Perhaps, the instinct is understandable, for laws to encourage collective bargaining, uphold women's rights and protect children from exploitation are powerful nostrums. What is more relevant, however, is whether fashion houses and multinational corporations pay a country's prevailing wages, and respect its regulatory framework. Those that do not, must be compelled to do so, but boycotting a country that falls short of international standards can only aggravate unemployment. Also to be noted, laws alone do not make for social change. The most effective catalysts are investment capital, improved technology, higher productivity, and export earnings. Nothing could be more cruel than to withhold these in the name of compassion.

Indonesia

Indonesia: U.S. Sanctions on Foreign Firms in Iran, Libya Viewed

BK0708142096 Jakarta KOMPAS in Indonesian 7 Aug 96

[Editorial: "Bill Clinton's Policy in Connection With Iran and Libya" — received via Internet]

[FBIS Translated Text] The series of bomb attacks on U.S. interests recently have forced President Clinton to take a special measure. On Monday, the U.S. leader signed a bill into law that was promoted by New York Republican, Senator Alfonse D'Amato, who is also one of Clinton's most vocal critics.

The essence of the law requires the United States to impose sanctions on foreign firms that invest US$40 million or more per year in the energy sectors of Iran and Libya, or those that violate existing UN sanctions on Libya.

In a foreign policy speech after he signed the bill on the sanctions measure, Clinton identified both countries as "two of the most dangerous supporters of terrorism in the world."

Earlier, U.S. allies in Europe had protested against this policy. Rejecting the protest, Clinton said: "You cannot do business by day with people who are funding and protecting terrorists and who kill your innocent people by night."

Clinton hopes and expects that the allies will come around before too long.

Clinton said that the United States had to act, to lead in the fight against terrorism. His statement underlines a rift between the United States and the European Union [EU] in connection with sanctions against foreign firms that invest in Iran and Libya. Nicholas Burns, U.S. State Department spokesman said: The European Union prefers to sit back and hopes that Iran will be pleasant."

Burns also said the EU's response to the U.S. policy is "not wise" because this is just like reacting against its own interests."

It is understandable that the U.S. Government ignores the EU's protest because not only its soldiers were killed in the bomb blast in Saudi Arabia, but a bomb was planted in its TWA aircraft, and there was a bomb attack at the Olympics park.

As far as Clinton is concerned, fascism and communism can be dead and discredited, but their destructive power remains alive. If one wants to take advantage of the emergence of the new world — the post-Cold War era — the destructive power that kills innocent people, and ignites hatred among each other should be defeated.

On the other hand, European nations not under terrorist attacks like that experienced by the United States, have denounced the U.S. legislation. It is not surprising that some of them say that they will use counter-measures to show displeasure with the U.S. sanctions.

A French company, Total SA signed an accord on the expansion of the Sirri off-shore oil field in Iran last year. The project was worth US$600 million. The company also has stakes in a Libyan oil field, and obviously, it is the first company that is being hit by the U.S. santions. Due to this, on Monday, France also said that it would work with the EU to protect French companies from being hurt by Washinton's measure.

Observers believe that the new policy can lead to a two-pronged war. For Clinton, who is running in the presidential election in November, this is something positive, but on the other hand, for a broader foreign policy, this will hurt American interests.

Cohesion and harmony that are expected to be further developed between the United States and the EU — particularly in facing various issues such as Bosnia, NATO's expansion, and the election of the UN secretary general — can be reduced due to the sanctions measure.

The measure penalizing firms that do business with Iran and Libya is not the first incident that annoys the EU. Several weeks earlier, Clinton had already enraged the EU, Canada, and Mexico for imposing sanctions against companies conducting business in Cuba, a communist country.

If we conduct indepth studies, we will find that the rift between the United States and the EU over Iran does not revolve around politics alone. The EU still wants to hold dialogues, but the United States does not. Even in the United States itself, politicians are not unanimous in their opinions on sanctions. However, under the current political situation, Clinton has no other choice but to sign the bill into law.

In reality, the sanctions measure hurts American intertests. The imposition of a trade embargo on Iran prevents U.S. companies from operating in the Gulf state, while its foreign competitor firms are getting fat contracts.

Reacting to measures taken by the United States, especially to U.S. accusations that Iran is connected to terrorism, Kamal Kharazzi, Iranian ambassador to the UN, said that this was only "rhetoric". Kharazzi said the latest U.S. legislation will only hurt the American people themselves, thus they would be deprived of valuable oil and gas contracts.

Finally, it is up to the United States to obtain or to forego the contracts. As for accusations that Iran is involved in terrorist attacks, we share a similar opinion with Iran — that is, for every accusation made evidence should be provided. If accusations are made randomly, the sanctions measure can be categorized as the enforcement of extraterritorial jurisdiction.

A more inherent issue is that the EU may refuse to observe the U.S. sanctions measure if their rift gets out of hand. Several observers fear that if the U.S. internal political situation worsens, it will finally spread to other issues.

Certainly we are all concerned with acts of terrorism here and there, and we agree that there should be more effective ways of handling attacks that are causing fear to the innocent people.

However, a policy to fight terrorism should be enforced after the culprit is proven guilty so that the measure will not become a controversial issue and create strife among friends. We hope that the United States will take this into consideration, especially if the emergence of this measure is connected with the presidential elections.

Indonesia: MP Criticizes Australia's Howard on Bilateral Ties

BK0708102796 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 7 Aug 96

[FBIS Translated Text] Parliament's Commission I [Roman numeral one] has expressed concern that under John Howard's leadership, relations between Indonesia and Australia are not as cordial as those under Paul Keating leadership. Speaking in Canberra, Krisantono, a member of Parliament's Commission I, cited an example of a reduced level of cordial relations — the John Howard government's decision to stop a financial assistance program for the promotion of imported products from developing countries, including Indonesia. Krisantono also regretted Australian Foreign Minister Alexander Downer's lack of transparency over the scrapping of the financial assistance program, which resulted in many countries criticizing the action.

Indonesia: Alatas Says Foreign Press Often 'Exaggerate' Reports

BK0708080196 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 7 Aug 96

[FBIS Translated Text] Foreign Minister Ali Alatas says anti- Indonesia foreign press tend to exaggerate their reports and sometimes even sacrifice the truth for the sake of speedy reporting. As such, the reports are not based on facts.

Speaking to reporters after opening a one-day seminar on ASEAN Strategy and Action in Jakarta yesterday, Minister Alatas stressed that the foreign press often pay too much attention to speedy reporting and therefore sacrifice accuracy. He noted that speedy reporting is caused by the keen competition among reporters in many countries. He urged reporters to double check their reports because it is not easy to correct mistakes.

Indonesia: Lawyer Acknowledges Megawati's Receipt of 2d Summons

BK0608135696 Jakarta SUARA PEMBARUAN in Indonesian 6 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, 6 August — After failing to appear for questioning at the Central Jakarta Police on Monday, Megawati Sukarnoputri received another summons on Monday afternoon at about 1700 addressed to her residence at Jalan [road] Kebagusan IV, South Jakarta.

The second summons requested that Megawati appear at the Central Jakarta Police on Friday (9 August) at 0900 to answer questions as a witness of Budiman Sujatmiko, a suspect.

When contacted by PEMBARUAN at noon on Monday, Megawati's lawyer R.O. Tambunan S.H. [Master of Law] said that certain corrections had been made to the second letter in accordance with the law as he demanded when he met Central Jakarta Police Investigations officials on Monday morning. Tambunan said, even though the second summons mentioned the president's permit warranting a summons, Megawati's team of lawyers deemed that it did not fulfill the legal condition.

The second summons mentioned that there was a letter from the minister and state secretary informing about President Suharto's permit. The Minister and State Secretary Letter No. R117/M/Sesneg/7/1996 dated 31 July 1996, mentioned that President Suharto had granted permission to summon Megawati to answer questions as a witness. The letter also said that the Attorney General Order No. Prin 028/JA/08/1966 dated 2 August 1996 had instructed Police Captain Sri Astusi and his members to investigate Megawati, a witness. However, Megawati's lawyers deemed that the summons was not complete because the president's letter of permit should have been signed personally by the president and not the minister and state secretary. Due to this, Tambunan was not sure whether or not Megawati should comply with the summons to appear at the Central Jakarta Police on Friday morning considering that the second letter was still incomplete. "We, the lawyers, and Megawati will discuss the matter this evening, so I cannot confirm anything yet, " Tambunan said.

Tambunan admitted that the corrections made to the second letter indicated the police's good etiquette. Megawati's identity which was originally referred to as a member of the MPR [People's Consultative Assembly] was corrected to member of the DPR [House of Representatives]/MPR. As for the suspect, the second summons mentioned his name as Budiman Sujatmiko whereby the first one did not mention a name at all.

He reiterated that in principle, Megawati wanted all existing legal procedures to be fulfilled and hoped that the legal process would be truly implemented, so that the law is effectively enforced. "The main point is that we will discuss the matter this evening," Tambunan, acting as Megawati's spokesman, said. [passage omitted on Police Lieutenant General Iman Haryatna disclosing the corrected second letter to be sent to Megawati]

Indonesia: Megawati Plans To Appear for Police Questioning

BK0708013796 Hong Kong AFP in English 0130 GMT 7 Aug 96

[FBIS Transcribed Text] JAKARTA, Aug 7 (AFP) — Embattled Indonesian opposition leader Megawati Sukarnoputri will comply with a second summons to appear at the Jakarta police headquarters on Friday morning, one of her lawyers said Wednesday.

"She will go to the police station on Friday morning with her legal team," Megawati's chief lawyer Robert Tambunan told AFP Wednesday.

Tambunan said that Megawati and her lawyers decided she should comply with the summons, received Monday, even though the letter authorizing her questioning was signed by State Secretary Murdiono, not President Suharto. Under the law here, the president's permission is technically required for the authorities to question Megawati, the ousted leader of the Indonesian Democracy Party, because she is a member of parliament.

Monday's summons stated that Megawati will be questioned as a witness in a case of alleged slander by Budiman Sujatmiko, leader of a pro-democracy group, against President Suharto and the government.

Megawati sent her lawyers Monday to represent her in answering the first summons, which was served to her last Friday. Her lawyers have said that the Friday summons contained legal flaws that made her presence unnecessary.

Indonesia: Counsel 'Set To File' Complaint Against PDI Leader

BK0708024496 Hong Kong AFP in English 0227 GMT 7 Aug 96

[FBIS Transcribed Excerpt] JAKARTA, Aug 7 (AFP) — Indonesian opposition leader Megawati Sukarnoputri will comply with a second summons to appear at Jakarta police headquarters on Friday morning, one of her lawyers said Wednesday.

"She will go to the police station on Friday morning with her legal team," Megawati's chief lawyer Robert Tambunan told AFP. [passage omitted]

Tambunan said he is set to file a complaint to the Jakarta police and to the parliament on Wednesday against Suryadi (eds: one name), whose government-backed PDI faction deposed Megawati as leader in June.

Suryadi has claimed responsibility for the PDI headquarters takeover on July 27, until then under the control of Megawati's supporters. The violent raid, backed by the military, sparked mass riots here that killed at least three and injured scores of people.

"We will file a complaint to the police for Suryadi's criminal acts and ask the parliament that he be suspended from his post as Deputy House Speaker until the criminal charges are settled," Tambunan said.

He said that while Megawati will comply with the police summons Friday, she will also submit a complaint to the authorities over the absence of Suharto's signature from the order.

Indonesia: Resistance Reports Continuing Arrests, Rights Violations

LD0608175896 Lisbon Radio Renascenca in Portuguese 1700 GMT 6 Aug 96 to Europe

[FBIS Translated Text] Two reports written in East Timor by members of the resistance whose names cannot be divulged speak of a stepping up of Indonesian military operations. They also say that torture, arrests, disappearances, and killings have marked the past few months in the life of the East Timores.

Such reports are regularly sent out from East Timor and reach the United Nations and the Portuguese Government, as we were told by Ramos Horta, the spokesman for the National Council of the East Timorese Resistance:

[Begin Horta recording] These reports that we received over the past few weeks and that we passed on to the United Nations, the high commissioner for human rights in Geneva, the [UN] secretary general, the Portuguese Government, and the media, show a very serious deterioration of the human rights situation in Timor. Particularly over the past 12 months, there have been hundreds of arrests, most of them non-permanent, that is to say, the youths are arrested for a few days, sometimes a few hours, others several weeks, are seriously tortured, and then they are released. This is the general picture of the human rights situation. [end recording]

Indonesia: Students Detained in Riots Allege Police Brutality

BK0708062096 Hong Kong AFP in English 0605 GMT 7 Aug 96

[FBIS Transcribed Text] JAKARTA, Aug 7 (AFP) — Police have tortured five students who were detained in connection with a group accused of inciting mass riots, a human rights advocate said Wednesday in Yogyakarta, Central Java.

Yogyakarta Legal Aid Foundation (LBH) representative Budi Santoso told AFP by phone that the five students were detained by the police there on Friday and released the next day after being forced into signing a statement that they were part of the People's Democratic Party (PRD).

"When they got out of the police station, they were missing teeth, had cuts and bruises on their faces, and bloodstains on their clothes," Santoso said, adding that "none of them are part of the PRD."

Yogyakarta police were unavailable for comment Wednesday.

The authorities have accused the PRD of inciting violent riots in Jakarta on July 27, which left at least three dead and scores injured.

Jakarta has vowed a crackdown on all members of the group, calling them "communists" who aim to topple the government.

Santoso said that the five, identified as Muhammad Ali, Wisnu Agung, Harry Kurniawan, Eko Prastowo and Yohannes Librayanto — all college students — were at a student demonstration at Gajah Mada University in Yogyakarta on Friday when police detained them.

He said four of the students were members of the Muslim Student League, which is not connected to the PRD, "but one of them was just a bystander and doesn't belong to any organisation."

Santoso said the five sought brief treatment at a hospital for their injuries after their release Saturday.

It was unclear whether they planned to take legal action against the police, Santoso said.

The Jakarta LBH office has said that 193 people have been detained at the police headquarters here in conjunction with the riots, but Jakarta police claim they have detained only 136.

The authorities have arrested dozens of people, most of them students and activists, in cities throughout Java and Sumatra since the riots.

The United States, The European Union, Norway and Britain have expressed their concern about arrests made by authorities since the riots.

The EU's statement, released in The Hague Monday, reminded Jakarta to "respect in all circumstances the fundamental democratic freedoms, like freedom of movement, expression and universal human rights as a whole."

Indonesian Minister: Economy Returning to Normal After Rioting

BK0708114796 Jakarta KOMPAS in Indonesian 7 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Kuta, KOMPAS — Saleh Afiff, coordinating minister for economics, finance, and development supervision, says the Indonesian economic situation has returned to normal because the Jakarta rioting on 27 July did not cause a lot of damage to the national economy. "There was damage but not so much because the incident lasted for a short time," he said to reporters in Kuta, Bali.

The same is true regarding the Jakarta stock market, with investors returning to buy stocks. There was a momentary disturbance, but the situation has now returned to normal. Minister Afiff said the Jakarta stock market is functioning properly again. The market index was bearish for a while, but it has now gone up again.

Afiff said that market index fluctuation is something normal. "The index of several stock markets overseas has also fallen. We managed to sell our bonds and this reflect investors' confidence in us," he said.

Commenting on the depreciation of Indonesian rupiah, Afiff confirmed that the country's currency indeed fell several points after the rioting, but it has now regained its original position. "The rupiah exchange rate has never been over or below the limits set by the Indonesian central bank," he said. [passage omitted on state enterprises' privatization]

Indonesia: ABRI Position, Other Developments in PDI Dispute

96SE0096B Jakarta KOMPAS in Indonesian 18 Jul 96 pp 1, 15

[FBIS Translated Text] Jakarta (KOMPAS)—Lieutenant General Syarwan Hamid, KASSOSPOL [chief of Sociopolitical Affairs Staff] of ABRI [Indonesian Armed Forces], said that Soerjadi, general chairman of the PDI [Indonesian Democratic Party] DPP [Central Executive Council] created by the Medan Congress on 20-22 June, needs to be given an opportunity to make approaches for resolution of the crisis in the PDI.

"I see that Pak [Father, a term of respect] Soerjadi has been using persuasion through dialogue. That is very good. I hope that it will soon be successful. Acting roughly would not achieve anything," the ABRI KASSOSPOL said after speaking at a seminar entitled "Reconsidering the Political Format of the New Order," which was held by the LP3ES [Board for Research, Study, and Development of Social Issues] yesterday, Wednesday, 17 July.

When asked whether he was confident that the PDI DPP created by the Medan Congress can complete consolidation by September, as stated by Minister of Home Affairs Yogie S.M., Syarwan Hamid said, "God willing. I am confident it can be done."

With regard to the continuing control of the PDI DPP Secretariat's office by the PDI DPP led by Megawati Sukarnoputri, Syarwan said that the office is the property of the legitimate PDI DPP. "At some moment, Soerjadi must have his office there," the ABRI KASSOSPOL said.

When asked if ABRI will help Soerjadi take over the PDI DPP Secretariat's office, Syarwan said, "If there is a way to help, we will do it, but in accordance with regulations."

In reply to a seminar participant's question whether ABRI "engineered" the toppling of Megawati from her position as PDI DPP general chairwoman, Syarwan Hamid said that ABRI did not engineer the Medan Congress. "That is not true. How could I engineer Fatimah Achmad, Ismunandar, or Pak Soerjadi, who are experienced in politics," he said.

During the seminar, political observer Arbi Sanit said that the PDI Congress in Medan was an accurate picture of the worst side of political parties in Indonesia. "For the sake of interests wrapped in constitutional interpretations, several members of the party elite went so far as to benefit from the acute internal problem," said the member of the teaching staff of the Sociology and Political Science Faculty of the University of Indonesia.

Arbi added that the congress was rooted in an internal conflict that could not be resolved by the party elite. "They did not feel guilty about asking or accepting government support, thus killing party independence," Arbi Sanit declared.

Open Rostrum Banned

In Yogyakarta on the same day, PANGAB [Armed Forces Commander] General Faisal Tanjung declared that security forces will ban the open rostrum activities conducted by a certain sociopolitical organization if they violate applicable laws by disrupting the stability of regional security.

"As long as the open rostrum is within our law, they may do it, but if it deviates from ethics and becomes an arena for ridiculing or defaming other organizations, it will naturally not be permitted," the PANGAB told ANTARA and TVRI [Indonesian Television] during the flight from Yogyakarta to Jakarta on Wednesday [17 July] after making a speech to the Seventeenth Congress of the Tamansiswa Association in Yogyakarta.

The PANGAB said this in connection with a request from the Development Unity Party (PPP) that the government ban the open rostrum activities conducted last Tuesday, 16 July, by crowds of PDI supporters of Megawati.

Later, after inspecting troops of the First Air Operations Command (KOOPSAU) at Halim Perdana Kusuma, Jakarta, the PANGAB said that in facing the political situation, which has been relatively heated lately, ABRI remains a "solid" and unshakable organization, particularly in ensuring stability of the nation's security and safety.

"Before an election, a heated atmosphere is a normal thing. Naturally, there will be political maneuvers. What is clear is that ABRI troops are always solid and prepared," the PANGAB said. In his statements, the PANGAB also put aside rumors and efforts to divide ABRI, particularly as the election approaches.

Consolidation

Meanwhile, Major General Tayo Tarmadi, commander of KODAM [Military Area Command] III/Siliwangi, said yesterday that the problems now being faced by the West Java PDI DPD, whether organizational consolidation or upgrading, are an internal affair of the party. As the organization entrusted with ensuring public order and security, KODAM III/Siliwangi will not interfere with such internal affairs.

Idi Siswaya, chairman of the West Java PDI DPD, who also attended the Medan Congress, said when reached by KOMPAS that he had received written support from 23 DPC's [branch executive councils] in West Java.

Dozens of Megawati supporters still occupy the West Java PDI DPD office on Sukarno-Hatta street, however, and have displayed dozens of banners that, among other things, strongly protest the presence at the Medan Congress of persons acting in the name of PDI DPC's.

Because of the PDI crisis at the national level, some directors of the Ciamis District PDI DPC feel they are at a "crossroads," particularly with regard to filling out DCS [provisional candidate lists]. As of mid-July, neither the Soerjadi PDI DPP nor the Megawati PDI DPP had sent instructions to the DPC's on filling out the DCS.

Although the Ciamis DPC can be called "solid," since almost all its directors belong to the PDI Faction in the Ciamis DPRD [Regional Legislature], the crisis above them has become a dilemma for them. "We see that our consciences and legality are not on the same path," M. Ruswan, chairman of the Ciamis PDI DPC, said yesterday.

DCS Submitted

The PDI DPP under Megawati's leadership said yesterday that about 100 of the 305 PDI DPC's have submitted their DCS. It is expected that all PDI DPC's will have completed submission of their DCS by the end of August.

Haryanto Taslam, a chairman of the PDI DPP under Megawati's leadership, which has its office at 58 Diponegoro Street, Central Jakarta, said that the DCS submission deadline has been moved up somewhat for the sake of more rapid decisions on DCS by each DPC.

Although the PDI DPP under Soerjadi's leadership has been given government support and has received 850 DCS forms from the General Elections Board (LPU), the Megawati PDI DPP continues to collect DCS from PDI DPC's.

This has been done because the Megawati PDI DPP considers itself the legitimate DPP until the courts decide otherwise.

Asked about the increasingly numerous rumors that the Soerjadi group will occupy the PDI DPP office on Diponegoro Street, Haryanto Taslam said he hoped that anyone who intends to occupy it will think twice, because, he said, that would produce new problems.

Last night, the South Jakarta PDI DPC held a special branch conference, which was attended by about 100 functionaries from DPC's and subdistrict and village coordination groups. The conference discussed provisional legislative nominations for the DPR [Parliament] and the Jakarta DKI [Special Capital Area] DPRD. In addition, the conference elected people to fill empty posts.

Bali PDI Anti-Soerjadi

Ida Bagus Putu Wesnawa, said yesterday that Bali PDI elements have nothing to do with the PDI DPP created by the Medan Congress and under Soerjadi's leadership. The Bali PDI is clear in its position of rejecting the congress and all its decisions.

Wesnawa said this in response to a statement made Tuesday, 16 July, in Jakarta by Buttu R. Hutapea, secretary-general of the PDI DPP created by the Medan Congress. Buttu Hutapea said earlier to reporters that the Soerjadi PDI DPP had given the Bali PDI until Thursday, 18 July, to declare support for the DPP created by the Medan Congress. If the deadline is not observed, the Congress DPP will take action to resolve the matter by creating DPD and DPC executive teams for all of Bali.

The Bali PDI, he said, is proceeding with implementation of all steps for the 1997 general election and is determined to make it a success. If the existence of the DPP created by the Medan Congress is insisted upon, however, the Bali PDI will not lessen its determination to withdraw from all election committees, Wesnawa said, reiterating the decision of the Special Regional Conference held on 9 July.

Wesnawa said that there will never be a problem if the DPP created by the Medan Conference indeed wants to form executive teams for DPD's and DPC's in Bali. "Go right ahead. What is clear is that up to this moment the Bali PDI has consistently supported Megawati Sukarnoputri," he said.

In Medan, at least 100 PDI members from several subdistrict coordination groups and subgroups in North Sumatera conducted a demonstration at the North Sumatera DPRD. They did not present their aspirations to legislators but held open rostrum activities on the steps of the DPRD office in Medan and read statements of concern over conditions in the PDI.

Indonesia: Concerns of Indonesian Capital Investment Board Reported

96SE0100A Jakarta KOMPAS in Indonesian 25 Jul 96

[Received via Internet]

[FBIS Translated Text] Jakarta, KOMPAS—During the first half of 1996 the value of Foreign Capital Investment Projects (PMA) which were canceled increased by 1,464.8 percent, compared with the same period of 1995. At the same time the value of Domestic Capital Investment Projects (PMDN) which were canceled only increased by 12.5 percent.

This is according to data on the growth of investments up to and including 15 July 1996, contained in an annex to a speech closing the "Coordination Meeting of the Central Investment Coordination Board and the Regional Investment Coordination Boards," held in Jakarta on 24 July. The speech was read by Sanyoto Sastrowardoyo, minister of state for investment and chairman of the BKPM [Central Investment Coordination Board].

Although details of the PMA and PMDN projects which were canceled were not provided, the decline in investment projects under way is an indication of the investment climate in Indonesia. Even more ironical is the fact that more Foreign Capital Investment Projects were canceled than Domestic Capital Investment Projects.

According to data from the BKPM, total cancellations of PMDN investment projects from 1 January to 15 July 1995 only affected 32 projects. However, during the same period in 1996 the total number of projects canceled increased by 96 percent and affected 63 projects with a total investment value of 900 billion rupiahs. This represented an increase in the value of canceled projects. Between 1 January and 15 July 1995 projects valued at 800 billion rupiahs were canceled.

At the same time the number of Foreign Capital Investment Projects canceled during the period between 1 January and 15 July 1996 increased by 212.5 percent. That is, the total number of Foreign Capital Investment Projects canceled rose from eight during the first half of

1995 to 25 in the first half of 1996. If they are calculated in terms of value, the cancellations of Foreign Capital Investment Projects rose from $29.3 million in 1995 to $458.5 million in 1996. This was a substantial increase, amounting to 1,464.8 percent.

No clear information was obtained from Minister of State for Investment Sanyoto on the causes of these cancellations. That is, it was not clear whether the projects were canceled by the BKPM because they did not meet a number of conditions or because of the unwillingness of foreign investors to proceed with the projects, which were then canceled. It was not clear whether the cancellations were based on the investors' view that the business climate was less attractive, due to bureaucratic complications or to the overall "country risk."

Reporters did not obtain clarification from the minister of state for investment on the essence of the investment problem. Minister of Investment Sanyoto, who originally planned to meet with the press, canceled the press conference and then left the meeting hall to avoid questions from reporters.

Export Potential Declines

Meanwhile, on the basis of the BKPM data already mentioned, it also appears that the number of export oriented PMDN and PMA investment projects reflected changes when a comparison is made between the period from 1 January to 15 July 1995 and the same period of 1996. In terms of PMDN projects, the total number fell from 200 export-oriented projects to 173 export-oriented projects. The value of PMA export-oriented projects alone fell by 59 percent. This means that during the first half of 1995 the value of projects with an export potential amounted to $11.7 million. During the same period of 1996 the value of projects with export potential declined to $6.9 million.

This is an indication that in terms of the value of PMA projects invested in Indonesia, the goal is no longer the export but rather the domestic Indonesian market, whose value is considerable. Conditions may stimulate the rate of import growth, both in terms of components and fuel, so that the import of consumption grounds will steadily increase.

However, if conclusions are to be drawn from the data as a whole, it is increasingly clear that the value of foreign capital investment is declining sharply. Moreover, from the point of view of the total number of projects, PMA investment projects are increasing sharply, that is, from 449 to 611 projects.

Nevertheless, the large, total number of projects does not mean that this will be followed by an increase in the value of investments. Based on available data, the value of investments declined from $27.2 million in 1995 to $21.5 million in 1996. That means a decline of 21 percent.

The same is also true of average investment value per project, which has experienced a decline of 41.9 percent. This means that, whereas during the first half of 1995 the average value per project was $60.6 million, the average value of investments during the first half of 1996 was only $35.2 million.

At the same time cumulative, Foreign Capital Investment Projects, amounted to $3.477 billion during the first half of 1995. During the same period of 1996 they amounted to $2.771 billion, a decline of 22 percent. However, the number of projects carried out rose from 104 projects during the first half of 1995 to 128 projects during the first half of 1996.

Not Transparent

Meanwhile, Royani Aminullah, a member of Committee VI of Parliament, said that at present the Central Investment Coordination Board is not providing transparent data and information to members of Parliament. Royani said: "In testimony before Parliament what is often stated are the successes or the progress made in investment."

Royani said that the cancellation of investment projects raises the question whether businessmen who invest capital are just going through the motions or are deliberately speculating to accumulate funds by turning the investment permit issued by the Central Investment Coordination Board into capital. In that connection, he said, the BKPM should select investors who present investment permits.

Royani said: "It is possible that the cancellation of these investment projects was caused by the current level of economic activity in Indonesia, which is not very encouraging." Regarding the question whether there is a possible connection between the cancellation of investment projects and political developments which have occurred recently in Indonesia, Royani did not see that these developments had a direct influence on each other.

At the same time, on this occasion Sanyoto hoped that the forums which have been held recently can become a place for the discussion of a variety of investment plans. In this effort to establish planning systems in a coordinated, unified, and comprehensive way complete data or information should be provided regarding economic profiles, human resources, investment opportunities, and government projects in the field of facilities and infrastructure.

He said: "This data or information is very much needed by investors or potential investors. Whether the investor is from Indonesia or from a foreign country, this kind of information could be a point of reference for making decisions on investing in Indonesia."

Indonesian Unemployment Expected To Rise in Short Term

96SE0096A Jakarta KOMPAS in Indonesian 17 Jul 96 p 2

[FBIS Translated Text] Jakarta (KOMPAS)—During REPELITA [Five-Year Development Plan] VI (1994/1995-1998/1999) the work force (persons 15 and older) will increase by 12.7 million, whereas only about 11.9 million jobs can be created. Thus, 800,000 new members of the work force will be unemployed.

This was among the main points of a speech given Tuesday, 16 July, in Jakarta by Dr. Payaman J. Simanjuntak when he was installed as principal researcher on the manpower sector. The installation was led by Dr. Sofjan T. Sauri, chairman of LIPI [Indonesian Science Institute], and was attended by, among others, Baroto Sardadi, secretary-general of the Department of Manpower.

He predicted that the labor market will not change until REPELITA VIII, when the work force will be smaller than the number of jobs.

During REPELITA VII (1999/2000-2003/2004), the work force will increase by 13.232 million, whereas jobs will increase by 12.427 million. In REPELITA VIII (2004/2005-2008/2009), the work force will increase by 12.701 million, while there will be 12.744 million additional jobs.

In REPELITA IX (2009/2010-2013/2014), the work force will increase by 12.095 million and jobs by 12.177 million. During REPELITA X (2014/2015-2018/2019), the work force will increase by 11.455 million, whereas new jobs will reach 11.871 million.

"In REPELITA VIII and beyond, there will be an imbalance in the job market. About 500,000 new jobs will be threatened with remaining unfilled because of the demand for quality manpower. Therefore, we must accelerate the addition of vocational and diploma workers," he said.

Simanjuntak added that the development of manpower may be done in two main phases, namely prior to employment and during employment. This would include job training, placement of workers, career planning and development, and creation of safer and healthier job and environmental conditions. In addition, there is a need for orderly and harmonious industrial relations, better wages and social insurance, and development of entrepreneurship, said the 1981 Boston University graduate.

Minister of Manpower Abdul Latief said in his speech, read by Baroto Sardadi, that manpower challenges and problems will be increasingly large and complex, not merely in quantity, but in intensity, too.

The Department of Manpower needs to set priorities in its handling of greater productivity, training reforms, and worker cooperatives. Payaman Simanjuntak is the first senior researcher in the department.

Laos

Laos: Report Views FIMC Changes, Effect on Foreign Investment

BK0608155796 Bangkok THAN SETTHAKIT in Thai 31 Jul-2 Aug 96 pp 1, 2

[Unattributed report]

[FBIS Translated Text] A high-level source in the Foreign Investment Management Committee (FIMC) of the Lao People's Democratic Republic [LPDR] told THAN SETTHAKIT that the LPDR Government has issued an order appointing Deputy Prime Minister Boun-gnang Volachit as the new FIMC vice chairman, replacing Khamphoui Keoboualapha. In a separate order, the LPDR Government appointed Dr. Bountiam Phitsamai, deputy minister attached to the Prime Minister's Office, as the new FIMC secretary general, replacing Dr. Leuan Sombounkhan.

The orders were issued in mid-July and signed by the Office of the President. Following the changes in the FIMC top posts, Deputy Prime Minister Khamphoui will continue to look after the country's economy, while Deputy Prime Minister Boun-gnang is directly in charge of foreign investment promotion. Therefore, the two deputy prime ministers play a very important role in formulating national development policy. Laos is still in need of foreign currencies for socioeconomic development. Leuan Sombounkhan was transferred to the State Planning Agency.

The change in the committee's leading figures was presumably made to deal with a number of large investment projects immobilized after having received a green light from the government. Some projects showed very little progress after they were approved by the government as long as two years ago. The problem has been attributed to a failure on the part of the officials concerned to examine the financial sources and feasibility of the projects, especially those submitted by Thai investors.

The source believes that all projects that show unimpressive progress will be reexamined by the committee. It is believed that Thai investors who are thinking of investing in Laos will be affected by the new restriction.

In any event, Dr. Leuan Sombounkhan told THAN SETTHAKIT that the change of the committee's top officials was made for reasons of suitability. The government has not made any change in its foreign investment promotion policy. Therefore, foreign investors should not have any concerns in this regard.

Dr. Bountiam Phitsamai told THAN SETTHAKIT during an interview that operations at the FIMC were officially handed over to the newly appointed vice chairman and secretary general in mid-July. The Lao Government intended to give a push to the approved projects to move them forward so they can achieve their targets and contribute to the country's development. The committee is always ready and willing to give advise and cooperation to make those projects successful. Dr Bountiam stressed that investors, if they are sincere, should be able to carry out their projects with the assistance and cooperation of the committee and government.

The approved projects that are reported to have made no or little progress are: the construction of the road linking Thailand and China through Laos by the Ruam Phatthana Siliam Setthakit Company Limited of the Usa family group from Chiang Mai Province; the development of the Lakhonpheng tourist complex, including the construction of a 1,500-room, five-star hotel, bungalows, golf course, commercial center, park, zoo, and an airport, with a total investment of over 1 billion baht; the development of the Lan Xang Palace into a tourist attraction center at Kilometer Post 14 on the Vientiane-Friendship Bridge road; and the development of a special economic zone by the Hemmarat Group. In particular, the Hemarat Group was recently advised by the government to reduce the size of its project. The Lao Government also summoned executives of other investment groups for meetings, during which they were requested to explain the reasons for the delay of their projects.

Khamkia Hadaoleuang, director general of the Management and Protocol Department under the jurisdiction of the Prime Minister's Office, disclosed that the new lineup was a normal process aimed at boosting the committee's efficiency.

He said: "Formerly, Khamphoui Boualapha was the only deputy prime minister of the country who had to look after both the national economy and foreign investment. Things should be improved with the two deputy prime ministers sharing the heavy burden.

"From now on, with Boun-gnang as another deputy prime minister, the work should move swiftly. Khamphoui will look after the national economy, while Boungnang will be directly in charge of foreign investment. Foreign investors who come to invest here can be sure that their projects will not be affected by the change in the committee."

Thai investors who are investing in Laos, however, do not think so. Both Khamphoui and Leuan are well-known for their competence and are trusted by foreign investors. Their absence from the committee will certainly affect foreign investment in that country.

Philippines

Philippines: Malacanang Linked to U.S. Bases in South Proposal

BK0708093696 Manila THE MANILA CHRONICLE in English 30 Jul 96 p 8

[Report by Rey Pequejo]

[FBIS Transcribed Text] Senator Francisco Tatad yesterday sounded the alarm over a proposal of the Zamboanga City council to "invite" the United States to set up its military bases in Mindanao, saying it may have been part of a "real game plan" by Malacanang and Washington to turn Mindanao into a new US military outpost.

The Laban ng Demokratiko ng Pilipino [Struggle of Filipino Democrats] (LDP) urged President Ramos to explain to the people why his administration is heil-bent on reaching a final peace pact with the Moro National Liberation Front [MNLF] when MNLF Chairman Nur Misuari himself is willing to accept changes in the peace formula.

Tatad, a member of the six-man "conscience bloc" in the Senate, said the proposal of the Zamboanga City council to set up US military bases in Mindanao may have been part of the "real game plan" by the Ramos administration and the US Government to put up a US military bases in the South.

"It may have unwittingly blown the lid off the real game plan by Malacanang and Washington to turn Mindanao into a new US military outpost," he said.

"We hope and pray there is no conspiracy to create tension in Southern Philippines so as to provide the reason for the proposed invitation to the US to establish military bases in the area," Tatad added.

The senator also hoped that the proposal was only an "unfortunate consequence" of the apprehension of the residents of Zamboanga City which has been provoked by the proposed Southern Philippine Council for Peace and Development (SPCPD) led by Misuari.

Tatad suspected the "climate of fear" prevailing in Mindanao may have been calculated in order to provoke Christian oppositions to the creation of the SPCPD with the "clout" of Organization of Islamic Countries (OIC), thus leaving the Christian a choice to invite the US Government to set up its military bases in the South.

"This makes it doubly urgent for the government and the Moro National Liberation Front to refine the controversial portions of their interim peace agreement so as to make it acceptable to everyone," he said.

"Any attempt to ram through the draft agreement in its present form will only confirm the theory that the government wants the agreement to be opposed by the Christians so that they could turn to the US for protection and help," Tatad added.

When this happens, he said, the country could be balkanized where Christian-dominated provinces in Mindanao might opt for self determination just to accommodate the desire of the US presence.

"As a result, the MNLF would be left holding an empty bag. Everyone would lose, except the US," Tatad said.

In 1991, the Senate "dismantled" the last bastion of US colonialism by throwing out the US bases in the country. Under the 1987 Constitution, a new treaty is required to allow foreign bases in the country.

"This means that if Mindanao wants to host US military bases, it will have to do so on its own authority. Right now, it does not have that authority being an integral part of the Philippines," he said.

"It (Mindanao) would have that separate and independent authority only if it became an independent state," Tatad said.

Laban chairman and Senate Minority Leader Edgardo Angara said Mr. Ramos should explain to the people why he is rushing to seal the peace deal with the MNLF when the MNLF itself is willing to accept "constructive changes" in the peace formula.

Angara also bewailed the supposed pressure being exerted by the OIC and the Association of Southeast Asian Nations (ASEAN), as claimed by Misuari, on the government and the MNLF to conclude the peace agreement.

"That pressure is not right. We are the ones who will live with this agreement, not our friends from the OIC and the ASEAN," said Angara, who was supposed to meet with the legislators from various parties who formed earlier a multi-party alliance to oppose the SPCPD. The ?enator said?since Misuari has expressed willingness to accept changes in the peace formula in the South, the Philippines should explain why it is rushing the signing of the final peace pact with MNLF.

Senate President Pro Tempore Leticia Ramos-Shahani, in a privilege speech, expounded on the issue of the SPCPD, saying the consensus points agreed on June 23 in Davao City do not go beyond the bounds of the law and the Constitution as she defended the peace formula from its critics.

"What the critics of the SPCPD fail to appreciate is that consensus has broken the impasse in the ongoing peace talks with the MNLF, that the majority membership of the MNLF in the council may be considered a concession to allow full and responsible participation of the MNLF in the democratic process and within the fold of the law as a confidence-building measure," she said.

Philippines Paper: PRC 'Dares' Spratlys Claimants To Draw Baselines

BK0708083896 Manila TODAY in English 29 Jul 96 p 12

[Report by Malou Talosig]

[FBIS Transcribed Text] China has dared claimant countries of islands in the South China Sea to draw their own baselines as the staging point for discussion among legal experts in the region.

Chinese Foreign Minister Qian Qichen told foreign ministers of the Association of Southeast Asian Nations during the Post- Ministerial Conference in Jakarta that China's justification for drawing baselines around the Paracels will be explained by its maritime lawyers during a proposed meet of legal experts.

ASEAN diplomats were inclined to support the proposed meeting of maritime lawyers but were still reluctant over the challenge mused by Qian, a diplomatic official said.

The Philippines had not yet drawn its baselines when it ratified the United Nations Convention on the Law of the Sea (UNCLOS). Despite a presidential directive, an interagency task force working on the claim had yet to map out the baselines. At the time, except for the Spratlys, the task force had not yet thought of a legal framework by which to claim territorial jurisdiction over Sabah without provoking Malaysia.

Although the UNCLOS does not resolve territorial disputes, acceding to the law entitles signatory states to exploit marine resources up to 200 miles from their territorial baselines.

Philippine Foreign Undersecretary Rodolfo Severino Jr. asked China for the "legal basis" in its extension of maritime jurisdiction to the Paracels, over which Vietnam and Taiwan are also claiming territorial sovereignty.

International law practitioners and maritime experts criticized China's moves as illegal and counter to the UNCLOS provisions since China is not an archipelagic state.

"It [China] said it does not believe in the definition of an archipelago as stated in the UNCLOS and it has historical citations to prove it," a Filipino official said. "But it could not simply accede to the UNCLOS in parts. It's either China rejects the UNCLOS or it ratifies it."

Qian refused to explain, even at the closed-door sessions, the merits of China's maritime claims around the Paracels.

Shen Guofang, China's director-general for information said China will eventually declare the Spratlys as part of its baselines "stage by stage."

Philippines: Belgium Grants $30 Million for Agrarian Reforms

BK0708074196 Manila PNA in English 0009 GMT 7 Aug 96

[Received via Internet]

[FBIS Transcribed Text] Manila, Aug. 5 (PNA) — The government of Belgium has committed to allocate BEF [Belgian francs] 900 million (P [Philippine pesos] 780 million) grant assistance to the Philippines for the next three years, to finance mainly the agrarian reform programs of the regions VII and IX.

Of this amount, two third is earmarked, particularly for the promotion and development of the agrarian reform communities (ARCs) in region VII.

Primary health care, basic education, and development of small and medium-scale enterprises (SMEs) at the village level will be given special attention and will be integrated in the expanded Agrarian Reform Support Project (ARSP).

The remaining amount will be used to expand the activities in peacekeeping and conflict prevention to selected ARCs in the provinces of region IX with special emphasis on culturally-diversed ARCs.

These activities shall address the basic needs and services of the target beneficiaries in the primary health care, basic education, water and sanitation, SME development, and applied soil conservation.

During the visit of high-ranking officials of Belgium in the Philippines last week, the Philippine officials likewise pushed that the Regional Program for SME Development and the Development of Soil Conservation Strategy be also financed by Belgian assistance.

Philippines Opposes Moves To Discuss Social Issues at WTO Meeting

BK0708122696 Manila TODAY in English 29 Jul 96 p 12

[Unattributed report]

[FBIS Transcribed Text] Foreign Affairs Secretary Domingo Siazon, Jr. has raised his suspicions on the plan of the United States and the European Union to focus on labor, environment, and human rights issues during the World Trade Organization meeting in December.

"It's (non-trade related issues) becoming a negotiating leverage in order to compensate for their lack of comparative advantage in exports," Siazon said.

He joined the six other foreign ministers of the Association of Southeast Asian Nations who oppose moves to discuss social issues during the first ministers' meeting of the organization in Singapore.

He said these countries were only raising social issues to pressure developing countries to open up the services sector and sidetrack the West's earlier commitments to liberalize capital markets.

"Capital is cheap in the United States and labor for us is cheaper. Technology is also cheaper there. All of these factors contribute to the market economy and make international trading useful," he explained.

U.S. Secretary of State Warren Christopher announced in Jakarta that the United States would raise unfair labor practices, child labor, environment degradation, human rights violations, and lack of transparency on the awarding of government contracts during the organization's meeting in Singapore.

Siazon clarified that all of these issues are important and should be addressed, but he insisted that the "appropriate venue" may not be in the organization but in the International Labor Organization [ILO] and other United Nations agencies.

He also assailed some developed countries which have not even ratified international labor conventions protecting child laborers and those that deal with human rights and environment issues.

"Some of these countries have not ratified ILO conventions and yet they speak with a degree of morality," Siazon said.

Philippines: Ramos Appoints Assistant for APEC Affairs

BK0708054996 Quezon City Radio Filipinas in English 0230 GMT 7 Aug 96

[FBIS Transcribed Text] President Ramos has appointed former Trade Secretary Rizalino Navarro as special assistant for APEC affairs. Former Trade Secretary Navarro took his oath of office during ceremonies held at Malacanang. By nature of his appointment, Navarro will advise the president on matters affecting the country's participation in the forthcoming APEC Summit on November 1996, as well as matters on special trade and commercial issues.

Philippines: MNLF Leader Speaks on Autonomous Region

BK0708093896 Jakarta REPUBLIKA in Indonesian 3 Aug 96

[Interview with Nur Misuari, leader of the Moro National Liberation Front, with REPUBLIKA correspondent Katamsi Ginano, in Sinupingan Camp, South Cotabato, on 27 July — received via Internet]

[FBIS Translated Text] [Ginano] Are you optimistic that the MNLF [Moro National Liberation Front] and the Philippine Government can achieve a comprehensive peace accord in Jakarta before the matter is discussed at a meeting in Jidda?

[Misuari] After holding discussions at Davao City (at the joint Lakas [Lakas Ang Bansa — Power of the Nation Party] - Planning Session 22-23 July), I am of the opinion that we will reach a final agreement; however, the meeting should be followed by concrete actions.

[Ginano] The MNLF demand for the implementation of the SPCPD [Southern Philippines Council for Peace and Development] has not been resolved, particularly on the integration of troops and its expenses. What are your comments?

[Misuari] The two problems have been discussed in Davao, but the two sides, especially the MNLF, requires a more detailed settlement. A special meeting between the MNLF and the government was held at Sarang Bangun (MNLF headquarters) in Zulu, before my departure for Jakarta.

[Ginano] How effective is the SPCPD concept, which is meant to be effective for only three years, as a solution during the transitional period before heading towards the formation of a full autonomous district for the Moro people? Can you tell us?

[Misuari] We should look at the ongoing peace process comprehensively. Currently we have four regions included in the ARMM [Autonomous Regions for Muslim Mindanao]. They are Zulu, Tawi Tawi, Mangindanao, and Lanau del Sur.

In the context of regional expansion, the SPCPD is the instrument for achieving real autonomy, which will take place in phases. The first phase is the SPCPD, which covers 14 provinces and nine cities in the Southern Philippines. The following phases will be determined by a referendum to be held three years from now.

[Ginano] You continue to receive support as a candidate for the position of ARMM governor, particularly from the Moro Islamic Liberation Front (MILF). This indicates that the aspiration for a Republic of Mindanao for the Moro people is no longer just a dream. What is your opinion?

[Misuari] When there is autonomy, the issue of one country for the Moro people will not be discussed any more. That is why we, the MNLF, need full autonomy.

God willing, the MILF support would unite all the people in the region. We hope that there will be unity among Muslims, between the Muslims and the Christians, and between the Muslims and the Lumad tribe (native inhabitants). Likewise, there should be unity between the Christians and the Lumad tribe. We have been fighting for these people so that they can get their independence.

[Ginano] What is your view on the support from the Philippine Senate and Congress members to you as a candidate for the chairman of the SPCPD and the governor of the ARMM?

[Misuari] This is a new era. The support is not only for the Moro people or for peace in the Mindanao region, but also for the people to be more in harmony with the religion. In addition to the extensive support from the people, 181 members of the Congress also back us. We are getting the same support from seven members of the Senate.

[Ginano] You have repeatedly assured the guarantee for equal rights for all the residents in the autonomous district. Since it is linked with the aspiration to enforce Islamic laws, can this be done consistently?

[Misuari] God willing. We will not break any promises. The Islamic laws will be enforced, but?not until t?e second phase, after getting autonomy. At the moment the Islamic religious law has been enforced in the MNLF; however, we still have to continue teaching the people about Islamic religious law. We have to admit that most of the Muslims in Mindanao are still ignorant about the Islamic religious law. This is one of the prices of war that we have to pay for.

The enforcement of the Islamic laws should not be interpreted from a narrow perception. Islam highly respects followers of other religions and will never resort to unilateral force.

[Ginano] If an autonomous rule is granted, even limited one, would the MNLF be able to handle the administrative issues and the armed clashes that have been going on so far?

[Misuari] The SPCPD and the ARMM are not serious problems. When the staff have good leaders who are willing to teach them, all problems can be settled. The staff can be trained for administrative skills.

Based on my experience, I can tell you how difficult it is to bring about the change from war to development. As a matter of fact, after carrying firearms for years, the Moro people see politics as merely a temporary halt from war. The ceasefire is being used for logistics purposes and for gathering ammunition.

It is not difficult for us to adapt to such a life because the history of the Moro people is filled with fighting, fighting against the Spaniards, the United States, the Japanese, and the Dutch. While people in other regions of the Philippines were defeated, the Moro people were not.

Some of us would find it difficult to change our lifestyle to anything else ?ecause we have had to fight a war all the time. It is like people who used to live in darkness and suddenly a bright ray of light shines upon them. For a moment they are pained by blindness, but after that they want the brightness forever. If autonomy is granted, we will certainly accept it, but if possible, we want more than autonomy.

[Ginano] What will your priority be, particularly in relation with the socio-economic and cultural development of the Moro people, if you assume the post of ARMM governor?

[Misuari] When compared to other regions, the area where the Moro people reside is 50 years behind. It is not an easy task to reconstruct this region. We have to give priority attention to everything.

If the people need roads, we have to provide them with roads in order for them to step up their economic status. We will improve the education system. A good education system can produce a good society. There are plenty of things that we have to do.

[Ginano] What is not less important is the access to funds for the reconstruction of the socio-economic, and cultural life of the Moro people. Where can you get the funds?

[Misuari] First, we will calculate how much we can afford to spend from our existing funds; second, from the Philippine Government's financial aid; and third, from God.

God willing, there will be no financial problems. If we are in trouble we will go and see President Suharto in Indonesia, Prime Minister Mahathir Mohamed in Malaysia, Sultan Hassanal Bolkian in Brunei Darussalam, or turn to the Middle East for help. I am confident that our Muslim brothers have the funds to assist us. For example, Indonesia and Libya have extended many funds to support our peace talks.

Likewise, Prophet Mohammad said that all the Muslim brothers are like one anatomy. If one part of the anatomy is hurt, the rest will feel the pain as well. If one Muslim does not help another Muslim, I shall report to Allah.

[Ginano] What is your opinion on the role of the Organization of the Islamic Conference (OIC) in the efforts to reach a peace accord between the MNLF and the Philippine Government?

[Misuari] The OIC has played a crucial role in creating peace in the Mindanao region. At this moment, the Moro people feel that the Muslim countries are aware of their situation and they are getting full support from these countries.

[Ginano] Can you tell us about the role played by the Indonesian Government as one of the active mediators?

[Misuari] President Suharto and Foreign Minister Ali Alatas have contributed greatly to our cause. Without the OIC and Indonesia, the peace that we are going to achieve with the Philippine Government soon would be non-existence.

[Ginano] What about the role of the OIC observer that is monitoring the peace process towards its final stage. What do you think?

[Misuari] I have requested the OIC observer not to abandon us, to be with us until the first phase of the Moro people's autonomous rule — from the peace accord with the Philippine Government — to the final phase of the autonomy. If the OIC observer leaves us now, war will break out again. I am confident that would happen.

Thailand

Thailand: Cabinet Approves Aid for Laos, New Trade Offices

BK0708075996 Bangkok Radio Thailand Network in English 0000 GMT 7 Aug 96

[FBIS Transcribed Text] The cabinet on 6 August approved a budget of 270.2 milllion baht in assistance to Laos to help implementation of development in that country. Of the budget, 200 million baht will be used to improve the Luang Prabang airport at the second stage. Another 70.2 million baht will be used to build the 4.3 kilometer section of the Tha Dua road, from Km 3 intersection passing the government guesthouse to Phonkham intersection.

The cabinet at the same time approved the setting up of five more offices of Thai commercial affairs with the budget of 35 million baht. The five Thai offices of commercial affairs are located in Tunis in Tunisia, Panama City in the Republic of Panama, Alma Ata in Kazakhstan, Kiev in Ukraine, and Tashkent in Uzbekistan. The proposal made by the Ministry of Commerce is to promote Thai exports and enhance Thailand's competitiveness in the international markets. Two officials will be posted to each of the new Thai offices of commercial affairs.

Thailand: Ministry Notes Effects of GSP Cut by EU

BK0708051296 Bangkok BUSINESS DAY in English 7 Aug 96 p 1

[Report by Staff Writers Matthana Menkhae and Supphasat Chuayaurachon]

[FBIS Transcribed Text] The Commerce Ministry yesterday reported to the Cabinet the effects to be expected from the abolition of the European Union's Generalized System of Preferences (GSP) on January 1 and suggested ways for dealing with lower export earnings.

Deputy Minister of Commerce Montri Danphaibun said five products to be severely hit by the move are frozen shrimps for which EU import duties are scheduled to rise from 4.2-5 percent to 8.1-9.7 percent, resulting in a 4.7 billion baht drop in export earnings; canned crab where duties will rise from 3.9 percent to 7.6 percent, causing Thai exporters to lose 510 million baht; seasoned canned fish for which EU tax will rise from 5.7 percent to 11.1 percent and is expected to cost 630 million; canned vegetables whose import duty will be increased from 14.9 percent to 18.1 percent with export earnings falling 330 million baht; and, canned fruit which will be taxed at a rate of 19.8 percent compared with the current 10.2 percent, leading to a 300 million baht decline in export earnings.

Mr. Montri said representatives from government agencies have already discussed the issue with their EU counterparts and have urged them to initiate new import tax package on the five items, provide technology to develop the Thai shrimp industry and to regard Thailand as drug-suppressing country and provide extra tax privileges.

Early next month the government will send a delegation to discuss the issue with the EU for a second time, he said.

"If the negotiation does not succeed, the government would raise the issue with the World Trade Organization (WTO), claiming that EU practices discriminatory treatment on Thailand," said Mr. Montri.

The Commerce Ministry has tried to ease the suffering Thai operators are likely to encounter from the abolition of GSP by reducing raw material costs for animal feed production and assigning the Internal Trade Department to administer a feasibility study on reducing the price of paper boxes used for packaging.

Thailand: Banhan-Chawalit Conflict Looms With Military Reshuffle

BK0708041296 Bangkok THE NATION in English 7 Aug 96 p A1, A6

[Report by Sorayut Suthatsanachinda]

[FBIS Transcribed Text] The fragile relationship between Prime Minister Banhan Sinlapa-acha and Defence Minister Chawalit Yongchaiyut faces an acid test with the armed forces poised to submit their annual reshuffle lists to the supreme commander.

The lists are expected to reach Supreme Commander Wirot Saengsanit on Friday and he is scheduled to discuss them with the leaders of the armed forces next Tuesday.

Banhan is close to Wirot, while Chawalit has strong connections with the leaders of the Army, Navy and Air Force. This, plus both men's apparent aspiration to strengthen their political bases within the military, are creating a silent and intriguing stand-off, observers say.

"From now on, don't blink," said one military source.

One likely scenario of confrontation, according to observers, is that the preliminary reshuffle lists prepared by each armed service will suit Chawalit's political desire, but when Wirot finalises them, the lists may be altered to meet Banhan's needs. But there are two more steps to go — through Chawalit and then finally Banhan.

The prime minister vowed yesterday not to intervene in the reshuffle. But comments from other key players indicate a degree of mistrust and an intensity of politicking.

"I don't want to get involved. I want to follow the lists proposed by the armed forces' leaders," Chawalit said.

Reading between the lines, Wirot might get the message: "Don't mess them (the lists) up."

The supreme commander, meanwhile, has declared that he has full authority to make any changes he deems fit. If he cannot make changes, Wirot asked, "What's the point of forwarding the lists to me?"

There were immediate reactions from the armed forces' leaders to Wirot's defiance. Army Commander-in-Chief Pramon Phalasin said he trusted Chawalit's "gentleman's promise" that the lists proposed by him and his Navy and Air Force counterparts will not be tampered with.

"If somebody insists on changing the lists, a vote should be called among the particular armed forces chief, the supreme commander and the defence minister," Gen. Pramon said.

The upcoming reshuffle is politically important because Wirot, Pramon, the Navy chief, the Air Force chief and the permanent secretary are all retiring. The new generation of military leaders, whoever they are, will determine the future working relations between the armed forces and politicians in office. It is a relationship marked over the past few years by expensive arms programmes.

Reports quoting unofficial discussions said that the Army was nominating Deputy Army Commander-in-Chief Chettha Thanacharo as Pramon's sucessor. Top candidates to become Navy and Air Force heads are Adm. Wichit Chamnankan and ACM [Air Chief Marshal] Amon Neaomali respectively. Wichit is presently assistant Navy chief, while Amon is Air Force chief-of-staff.

There have also been reports that Wirot was pushing for Gen. Mongkhon, the Army chief-of-staff [name and title as published], to become Pramon's successor. Another candidate reportedly favoured by Wirot is Gen. Thawan Sangphan, assistant Army chief.

Chawalit was not invited to join the meeting next Tuesday during which Wirot will discuss the reshuffle lists with the armed forces' leaders. The defence minister, however, will be the last man to touch the lists before they are forwarded to the government, or Banhan, to be specific.

Tension between Banhan and Chawalit is already high. Last week the New Aspiration leader vowed to suspend all major arms acquisition projects, which have been in limbo because of criticism from government partners.

Banhan yesterday insisted that he will not alter Chawalit's final reshuffle lists.

"I don't know who is who in the military. I just know a soldier who they sent to be my side. I have many times approved Chawalit's proposals, even though some people alerted me the last time that some names were inappropriate," he said.

Banhan's recent "joke" with the leader of the opposition Chat Phatthana Party, Chatchai Chunhawan, casts new doubts on the prime minister's ties with Chawalit. At a parliamentary break on Thursday Banhan and Chatchai had a casual and friendly meeting during which they talked about proposals to merge their parties or back Chatchai as the next prime minister.

"It was a joke. There were a lot of people in that room. There were no secrets," Banhan said. He added that during the talk, somebody proposed that Chatchai should become prime minister while Banhan should assume the Parliament presidency.

To Chawalit, the "joke" was not that funny. Asked if the Chat Thai-Chat Phatthana alliance had a chance of coming true, thus enabling Banhan to dump the NAP [New Aspiration Party of Chawalit], he said: "They don't need to do that. Just tell us straightforwardly and we will leave voluntarily. But that may not happen in this life."

More ominous was a topic discussed at a NAP meeting yesterday. Informed party sources said Chawalit warned his party members to prepare for a "major political change".

"It could be a House dissolution, or a government reshuffle that boots our party out of the coalition," one source said.

NAP MPs were asked to remain "united" and prepare themselves for a snap election. They were also told that their party was being blamed for several problems while Banhan tried to stay aloof.

Thailand: Daily Urges Action To Revive Economy

BK0708054596 Bangkok BUSINESS DAY in English 7 Aug 96 p 4

[Editorial: "Economic Actions Speak Louder Than Words"]

[FBIS Transcribed Text] The often-heard reasoning that Thailand's international reserves are in plentiful supply and that there is therefore no need to be unduly alarmed needs closer scrutiny now that export growth trends have turned for the worse.

The most often cited figure is that the country has the equivalent of between 6 to 7 months of imports in the form of international reserves. However, more recent data on imports and international reserves indicate the lower 6 months figure is barely holding.

For example, during the first quarter of this year, average monthly imports amounted to $6.25 billion while international reserves were $39 billion, meaning that the import equivalent value has gone down to 6.24, and this was, of course, well before the Bank of Thailand (BOT) spent several hundred million dollars of international reserves to defend the baht in the swap markets in Singapore and Hong Kong.

As successful as the bold BOT counter-measure against rumor-driven speculators may have been, it is clear that unless the fundamental conditions in Thailand's international trade and finance significantly improve, there will be many more attacks on the baht to come which will require the BOT to dig into the country's international reserves even more.

In looking for solutions, the authorities would do well to resist the temptation of engaging in public relations stunts while assuming that the world of international investments can easily be fooled. For example, the recent proposal to have an international road show to trumpet the strengths of the Thai economy is nothing more than an attempt to hoodwink the Thai public into believing that something is being done.

The world of international investments and finance is up-to-date and very well informed.

Economic and financial data are readily available and widely disseminated, and highly qualified analysts pour over the facts and information daily.

There is nothing surprisingly new and of substance a road show can tell major foreign investors that they don't already know, and besides, telling them how wonderful things are here for investment purposes is not entirely truthful.

Similarly, the seminar in Bangkok to which representatives from institutional investment companies from abroad are invited to attend will fall far short of its objective for the same reason that sophisticated investors will be put off by one-sided presentations.

There is no more convincing message to investors here and abroad than the one that shows we are putting our economic house in order and have decided, for a change, to start living within our means. That will entail importing less, exporting more, borrowing less from abroad, and saving more domestically. We must act on all these matters, and when we do, our actions will speak far louder than any road show or seminar can.

Vietnam

SRV: Communist Party Statute Promulgated

BK0608144996 Hanoi TAP CHI CONG SAN in Vietnamese 13 Jul 96 pp 28-37

["Statute of the Communist Party of Vietnam" adopted at the Eighth National Party Congress of the Communist Party of Vietnam held in Hanoi from 28 June-1 July]

[FBIS Translated Text] Founded and trained by Comrade Ho Chi Minh, the Communist Party of Vietnam [CPV] has succeeded in leading the people in conducting the August Revolution that resulted in: the founding of the Democratic Republic of Vietnam (now known as the Socialist Republic of Vietnam); in defeating various wars of aggression; eradicating the colonialist and feudalist regime; accomplishing the cause of national liberation and reunification; carrying out the renovation process; building socialism; and firmly defending national independence.

The party is a vanguard brigade of the Vietnamese working class, a loyal representative of the interests of the working class and working people, and of the entire nation as a whole.

The goals of the party are to build an independent, democratic, prosperous, and powerful Vietnam with an equitable and civilized society and to successfully practice socialism and eventually communism.

The party regards Marxism-Leninism and Ho Chi Minh Thought as an ideological foundation and a beacon for its activities aimed at developing the fine traditions of the nation, acquiring the quintessence of human wisdom, firmly grasping the objective law and the contemporary trend and the country's realities in order to come up with a correct political platform and revolutionary line suitable to the people's aspirations.

The party is a close-knit organization. It is unanimous in its thought and action. It regards democratic centralism as its basic organizational principle. It practices the system of collective leadership and individual responsibility and the system of criticism and self-criticism. It promotes the love of comradeship and enforces a stern discipline system. It is united on the basis of the party's political platform and the Party Statute.

The CPV is a ruling party. The party attaches itself closely to the people, respects and develops the latter's right to be master, and subjects itself to the people's supervision. The party depends on the people for its unit building. It is dutybound to unite and lead the people in carrying out the revolutionary undertaking. The party rules the political system and concurrently serves as a component part of that political system. The party leads the state and respects and develops the role of the state, the Vietnam Fatherland Front, and various political and social organizations. The party operates within the framework of the Constitution and laws.

The party incorporates the genuine patriotism with the pure internationalism of the working class and contributes positively to the cause of peace, national independence, democracy, and social progress of the world's people.

The CPV is to be strong politically, ideologically, and organizationally; to regularly renovate and rectify itself; and to constantly improve its militancy and its ability to lead the revolution.

CHAPTER I

Party Members

Article 1:

1. As revolutionary fighters of the Vietnamese working class vanguard brigade, members of the CPV must devote their lives to struggling for the goals and ideals of the party. They must place the interest of the fatherland, working class, and laboring people above that of individuals. They must scrupulously comply with the Political Platform, the Party Statute, various party resolutions, and the state law. They must engage in labor and must refrain from exploitation. They must satisfactorily fulfill their assigned missions. They must observe an ethical and wholesome life-style and maintain close relations with the people. They must subject themselves to the party's organizational discipline and preserve the unity and unanimity within the party.

2. On a voluntary basis, any Vietnamese citizen, age 18 or above, may be considered for party membership, provided that he endorses the party's political platform, the party statute, and other standards and duties for party members and that he proves himself to be outstanding and trusted by the people after serving in a grass-roots party organization.

Article 2:

Party members have the following duties:

1. To be absolutely loyal to the party's revolutionary ideals, scrupulously comply with the political platform, the party statute, party resolutions and directives, and the state law; satisfactorily fulfill their assigned missions, and absolutely obey any party order on work assignment and transfer.

2. To constantly study and steel oneself to improve one's knowledge, working ability, political quality, and revolutionary ethics; adopt a wholesome lifestyle; struggle against individualism, opportunism, departmentalism, bureaucracy, corruption, wasteful spending, and other negative phenomena.

3. To maintain close relations with the people; respect and develop the people's right to be master; care for the material and spiritual life of the people and protect the legitimate rights of the people; actively participate in mass motivation and social work in the areas where one's homes and offices are located; and propagate and motivate one's families and relatives to abide by the party policy lines and the state law.

4. To participate in the building and protection of the policy lines of the party and its organization; observe discipline, maintain unity and unanimity within the party; constantly subject oneself to criticism and self-criticism; be faithful to the party; participate in the recruitment of party members and in daily party activities; and pay party membership fees on schedule.

Article 3:

Party members have the right to:

1. Obtain information on and discuss problems concerning the party's political platform, statute, and policies and lines, as well as vote on party affairs.

2. Elect members, run for, or be appointed to leading organs of the party at various levels in accordance with the regulations of the Political Bureau.

3. Criticize and question the work of party organizations, or of party members, at various levels within the scope of their organization, as well as report, or submit, their views to the relevant party organs and seek answers.

4. Express their comments when a party organization evaluates their work performance, decides on their work assignment, or adopts disciplinary measures against them.

Probationary party members are entitled to the aforementioned rights except for the right to vote, elect members, or run for leading organs of the party.

Article 4:

Procedures for party membership admission (including readmission):

1. Persons who apply for party membership must:

— Do this on a voluntary basis;
— Submit a complete and correct curriculum vitae to the party chapter; and
— Have references from two regular party members.

In the case of Ho Chi Minh Communist Youth Union organizations, the youth must already be union members and officially recommended by the executive committee of a basic-level youth union chapter and by a regular party member in order to be admitted to the party.

2. The guarantor must:

— Be a regular party member who has worked with the person applying for party membership for at least one year;
— Report the curriculum vitae, qualifications, and capabilities of the guaranteed to the party chapter and must be responsible for his/her sponsorship. If some points are unclear, they must be reported to the party chapter, or to a higher echelon for consideration.

3. Party chapters and party chapter committees shall be responsible for the following tasks:

— Before considering and deciding on the admission of a party member, the party chapter must verify the candidate's admission criteria and must solicit the opinions of the organization or society of which the would-be party member has obtained membership.

Those admitted to the party must comply with the instructions of the Political Bureau concerning their political background.

— The party chapter must consider and decide on admission of party members on an individual basis. Once approval for admission has been endorsed by at least two-thirds of regular party members, the party chapter must submit a recommendation for admission to a higher-echelon party committee; once approval of that higher-echelon party committee has been given, the party chapter shall organize a ceremony to admit party members on an individual basis.

— The basic-level party committee must consider an application for party membership and if its proposal for party admission is approved by at least two-thirds of the regular party committee members, it shall submit this proposal to the next higher party committee echelon for consideration.

— The standing committee of the next higher-echelon party committee directly superior to the basic-level party organization or the basic-echelon party committee that has been vested with the power to consider an application for party membership shall decide on the admission of party members on an individual basis.

4. If there is no party organization, or there is a party organization but conditions for proposing a candidate for party admission are not yet ready, the next higher-echelon party committee shall assign a party member to propagandize, check on, and propose a candidate for party admission.

Special cases shall be handled by the Political Bureau.

Article 5:

1. The probationary period is 12 months and shall be computed from the day the party chapter confirms a candidate's admission to the party. During the probationary period, the party chapter must continue to educate and train the probationary party member, as well as assign a regular party member to help him/her make progress.

2. Upon completion of the probationary period, the party chapter shall evaluate the probationary party member for confirmation as a regular party member on an individual basis and shall also decide by vote, as in the case of admission. If a probationary party member is considered not qualified for confirmation as a regular party member, a recommendation must be submitted to an authorized party committee echelon so that the name of the would-be regular party member can be removed from the list of probationary party members.

3. The party chapter's resolution on the confirmation of a probationary party member as a regular party member must be ratified by a party committee echelon vested with the authority to ratify the admission of party members.

4. The length of party membership of a candidate shall be computed from the day he/she is confirmed as a regular party member.

Article 6:

The issuance and management of party membership cards, the handling of party members' records, and the procedures for transferring a party member to another place shall be set by the Political Bureau.

Article 7:

Requests for reduction in, or exemption from, party work or party activities filed on a voluntary basis by party members who are affected by old age or poor health conditions shall be considered by the party chapter.

Article 8:

1. With regard to party members who skip party activities, are late in paying their party membership fees for three consecutive months without justifiable reason, lose their militancy, perform their duties as party members in an unsatisfactory manner, or fail to make progress even with the help of educational measures, the party chapter shall look into these matters and report them to the authorized echelon so that the names of

the persons in question can be removed from the list of party members.

2. If a party member falling under the aforementioned category files a complaint, the party chapter shall report the matter to the echelon authorized to ratify the admission of party members for case review purposes.

Chapter II

The Organizational Principle and Structure of the Party

Article 9:

The CPV is organized according to the principle of democratic centralism. The basic points of this principle are:

1. The party-leading organs at all levels are set up through election and implement the principle of collective leadership and of individual responsibility.

2. The supreme leading organ of the party is the National Congress of Delegates. The leading organ of the party organization echelon is the congress of delegates or the congress of party members. In between two congresses, the leading organ of the party is the Party Central Committee and the leading organ of each echelon is the executive committee of the party chapter or the primary party organization (abbreviated as party committees).

3. Party committees at all echelons must report on and be accountable for their activities before the congresses of their echelons and to the party committees of both higher and lower echelons, must keep subordinate party organizations informed of their activities on a regular basis, and must practice criticism and self-criticism.

4. Party organizations and party members must implement party resolutions. The minority must submit itself to the majority. Lower-echelon organizations must submit themselves to higher-echelon organizations. Individuals must submit themselves to the organization. All organizations within the party must submit themselves to the National Congress of Delegates and to the Party Central Committee.

5. Resolutions of the party's leading organs must be approved through majority votes by these organs. Prior to voting, party members are allowed to fully express their views. Party members holding minority views have the right to their opinion and to report it to higher party echelons up to the National Congress of Delegates. They must, however, implement resolutions scrupulously and must not propagate their opinions at variance with the party resolutions. Party committee echelons are authorized to study and review these views; no discriminatory treatment shall be applied against party members holding minority views.

6. Party organizations determine issues of their jurisdiction that do not conflict with the principles, lines, and policies of the party, the state law, and the resolutions of higher echelons.

Article 10:

1. The party organizational system is set up in accordance with the state organizational system.

2. Basic party organizations are set up at administrative, occupational, economic, or work units and are placed under the leadership of party committees of districts, wards, towns, and cities subordinate to provinces. Party organizations in the Vietnam People's Army and the Vietnam People's Security Force are set up according to the stipulations in Chapter VI. The setting up of party organizations in places with unique characteristics shall be determined by the party Central Committee Political Bureau.

3. The establishment or disbandment of a party organization is decided by the next higher party committee echelon.

Article 11:

1. Party committees convene congresses at the end of their tenure; they shall inform the lower echelons of the time and agenda of these congresses in advance.

2. Party committee echelons who convene the congresses will decide on the number of delegates and distribute delegates among subordinate party organizations depending on the number of party members, number of subordinate party organizations, and the importance of each party organization as directed by the party Central Committee Political Bureau.

3. Delegates to congresses include members of the executive committee who convene the congresses and those delegates elected by lower-level congresses.

4. The nomination of delegates will be made only by those party organizations that operate under special conditions and are unable to hold congresses to elect delegates as prescribed by the party Central Committee Political Bureau

5. Delegates to congresses must be reviewed by the congresses with regard to their qualifications and then be voted on for acceptance. Party committee echelons who convene the congresses may not reject the qualifications of those delegates elected by lower-level party organization congresses, except in cases when the delegates are suspended from the activities of the party or party

committee, prosecuted before a court of law, or temporarily detained.

6. Party congresses are valid only when two-thirds of the convened party delegates or members have attended to represent at least two-thirds of subordinate party organizations.

7. Party congresses will elect presidiums (chairmen) to operationally control the work of congresses.

Article 12:

1. Party committee members must meet the criteria for quality and competence and have a sound political background, revolutionary ethics, and a healthy lifestyle. They must seriously implement the organizational principle and activities of the party, party discipline, and the state law. They must possess adequate knowledge and be capable of participating in collective leadership, of fulfilling all work assignments, and of strengthening unity among cadres and party members, and they must gain the confidence of the masses.

2. The number of members of the party Central Committee shall be determined by the National Congress of Delegates, whereas the number of members of party committees at other levels shall be determined by the congresses of the related levels in accordance with the guidelines of the party Central Committee Political Bureau. Party committee echelons must see to it that renovation and successiveness are ensured and that progress is made at each congress.

3. The presidiums (chairmen) must organize and guide the election:

— Voters have the right to make remarks on or raise questions concerning candidates and nominees.

— The name list of candidates must be discussed and approved by a congress.
— The election must be carried out through secret ballot.
— A successful candidate must win more than half of the total number of voters by delegates convened or more than half of the total members of party organization and chapter.

In case the number of successful candidates exceed the number required, those who have more votes shall be selected. If the successful candidates have the same number of votes, reelection shall be made to select the one with more votes. In this case, it is not necessary to acquire more than half of the total number of votes. In a case in which equal votes are obtained again in the reelection, the congress shall decide whether to hold another election. When the number of the elected candidates is lower than the required number in the first election, the congress shall decide whether to hold a second election.

Article 13:

1. The former party committee shall transfer power to the newly elected party committee. The latter shall begin work after the election and immediately after the official recognition and approval by the next higher echelon of party committee.

2. Supplementation of party committee members shall be made by the party committee concerned and be approved by the next higher echelon of party committee. The number of party committee members after supplementation should not exceed the total number elected at congresses. Party committees at the next higher echelon can appoint a number of supplementary party committee members for the lower echelon when warranted.

3. In case of real need, the party committee at the higher echelon can appoint an additional number of party committee members at the lower echelon. This number, however, must not exceed one-third of the members elected by the congresses.

4. Members of a party committee who want to withdraw from membership shall be reviewed by the party committee concerned before submission to the next higher echelon of party committee for decision. For members of the party Central Committee, the executive committee of the Central Committee shall make a decision in this regard. Incumbent members of party organizations shall be terminated from membership in those party organizations upon receiving orders relieving them from their position or transferring them to other units outside their organizations.

5. For a newly established party organization, the next higher echelon of party committee shall appoint a provisional party committee for that party organization and shall see to it that this party organization must hold its congress within one year at the latest. If more time is needed, it must be approved by the next higher echelon of party committee .

6. For a party organization that cannot convene its congress, the next higher echelon of the party committee shall appoint a party committee for that party organization.

Article 14:

1. The party committee at each echelon shall set up its staff organs in accordance with the guidance of the party Central Committee Political Bureau.

2. When warranted, the party committee can set up a subcommittee, a council, or a working team to carry out tasks. These organs shall be abolished when the mission is accomplished.

Chapter III

Leading Organs of the Party at the Central Level

Article 15:

1. The National Congress of Delegates is regularly convened by the Central Committee once every five years. It may be convened earlier or later than scheduled, not exceeding one year.

2. The duties of the congress are to evaluate the implementation of the resolutions of the previous term of office, determine the party's policies and lines for the forthcoming term of office, elect a Central Committee, and supplement or revise the party's political platform and statute, if necessary.

3. When deemed necessary by the Central Committee or when requested by more than half of the subordinate party committee echelons, the Central Committee shall convene an extraordinary national congress of delegates. Delegates to the extraordinary congress shall consist of incumbent Central Committee members and delegates to the first session of the National Congress of Delegates who still meet eligibility criteria.

Article 16:

1. The duties of the Central Committee are to organize the implementation of the party's political platform, statute, and congress resolutions; to determine the party's domestic and foreign policies, mass mobilization, and party-building work; and to make preparations for the National Congress of Delegates of the upcoming term of office or for the extraordinary national congress of delegates, if any.

2. The Central Committee regularly meets once every six months. In case of necessity, it can meet in extraordinary session.

Article 17:

1. The Central Committee elects a Political Bureau, a general secretary from Political Bureau members, a Central Committee Control Commission, and a head of the Central Committee Control Commission from members of this commission.

The number of members of the Political Bureau and the Central Committee Control Commission is determined by the Central Committee.

The Political Bureau appoints its standing board.

2. The duties of the Political Bureau are to direct and review the implementation of the resolutions of the National Congress of Delegates and of the Central Committee; to decide on issues concerning policies, lines, organization, and cadres; to convene the sessions of the Central Committee and prepare the contents of these discussions; and to report its past work to the conference of the Central Committee or to the Central Committee, if requested.

3. The Political Bureau standing board acts on behalf of the Political Bureau to review the implementation of party resolutions; to prepare issues for submission to the Political Bureau for consideration; to direct the handling of affairs relating to socioeconomic development, national defense and security, foreign relations, party building, cadre-related work, and mass mobilization; and to handle the party's daily work.

Chapter IV

Leading Organs of the Party at the Local Level

Article 18:

1. The congress of delegates from a province or a municipality directly subordinate to the central government and from district, precinct, town, or municipality directly subordinate to the provincial government shall be regularly convened once every five years by the party committee echelons of the corresponding level. The congress can be convened earlier or later than scheduled, not exceeding one year.

2. The congress discusses the documents of higher-level party committee echelons, evaluates the implementation of the resolutions adopted by the previous term of office, sets forth the tasks for the forthcoming term of office, elects party committee echelons, and selects delegates to attend higher-level party congresses.

Article 19:

1. The party committee echelons of a province or municipality directly subordinate to the central government (abbreviated as provincial or municipal party committees) and of a district, precinct, town, or municipality directly subordinate to the provincial government (abbreviated as district, precinct, town, or municipal party committees) direct the implementation of the resolutions adopted by the congress of delegates and resolutions and directives issued by upper echelons.

2. The congress of provincial, municipal, district, precinct, or city party committee shall be regularly convened by the standing committee once every three months. In case of necessity, the congress can meet in extraordinary session.

Article 20:

1. The conference of provincial, municipal, district, precinct, or city party committee elects a standing board, a secretary and deputy secretaries from members of the standing board, a control commission, and a head of the control commission from members of the control commission.

2. The number of members of the standing board and the control commission is determined by the party committee echelons in accordance with the Political Bureau's directives.

3. The duties of the standing board are to direct and review the implementation of the resolutions of the congress of delegates, as well as the resolutions and directives of the party committee echelons of the corresponding or higher level; to decide on issues concerning policies, organization, and cadres; and to convene the sessions of party committee echelons and prepare the contents of these sessions.

4. The standing board of a party committee echelon consists of one secretary and two or more deputy secretaries. It has the duties to direct the implementation of the resolutions of the party committee echelon, its standing body, or higher-level party committee echelons; to handle the party organization's daily work; and to convene the sessions of the standing committee and prepare the contents of discussions of these sessions.

Chapter V

Basic Party Organizations

Article 21:

1. Basic party organizations (basic party chapter and basic party organization) form the foundation of the party and serve as the political nucleus at the grass-roots level.

2. Each basic unit (village, ward, town, agency, cooperative, business establishment, nonproductive unit, basic unit in the People's Army or public security service, and so forth) having three or more regular party members must establish a basic party organization.

If a basic unit has less than three regular party members, the next higher party committee echelon must assign these party members to a nearby basic party organization to carry out party activities.

3. A basic organization of the party having 30 party members or less must establish a basic party chapter and party cells directly subordinate to it.

4. A basic party organization having more than 30 party members must establish a basic party organization and party chapters directly subordinate to the party committee.

5. In the following affairs, the lower party committees should seek the approval of the party organizations at the next higher level:

— To establish a party organization at the grass-roots level in a unit with less than 30 party members;

— To establish a party chapter with more than 30 party members under the grass-roots party committees;

— To establish a subordinate party organization under a grass-roots party organization.

Article 22:

1. Delegates congresses or plenary member congresses of grass-roots party organizations are to be convened by the grass-roots party committees: once every five years for grass-roots party organizations in villages, wards, and village towns, and twice every five years for other grass-roots party organizations. Congresses can be convened earlier or later than the due time, but should be within one year for villages and wards and within six months for other grass-roots party organizations.

2. Party congresses will: discuss documents issued by upper party organizations; assess the implementation of party resolutions during the last office term; decide on tasks for the coming office term; elect party committees; and elect delegates to attend party congresses of upper party organizations.

3. Party committees of grass-roots party organizations or party chapters meet regularly every month and whenever necessary.

4. Party committees of grass-roots party organizations with nine or more members will elect a standing committee. A secretary and deputy secretary will be elected from among standing committee members. Party committees with less than nine members elect only a secretary and deputy secretary.

Article 23:

Grass-roots party organizations have the following duties:

1. To implement party lines and policies and state laws; work out objectives and political tasks for the party organization and party chapters; and lead effectively the implementation of the tasks.

2. To make the party organization and party chapters pure and steadfast in politics, ideology, and organization; observe the principle of centralized democracy; heighten quality of party activities; practice criticism

and self-criticism; preserve discipline, unity, and unanimity within the party; educate, train, and manage cadres and party members regularly in order to heighten their revolutionary qualities and morality, consolidate their combat spirit, and enhance their knowledge and competence; and carry out party member recruitment work.

3. To lead the building up of the local administration, economic, administrative, and professional organizations, national defense and securities agencies, and social and political mass organizations into pure and steadfast units; observe state law; and develop the people's right of mastery.

4. To be close to the people; take good care of the material and mental welfare and rightful interests of the people; lead the people in participating in the building up and implementation of party lines and policies as well as state law.

5. To inspect the implementation of party resolutions and directives and state law to ensure that they are strictly enforced and inspect the observation of party statutes by the party organization and party members.

Grass-roots party organizations, if authorized by the party organization at the next higher level, can decide to recruit or expel party members.

Article 24:

1. Party chapters under grass-roots party organizations are organized on the basis of the workplace or residence of party members. Each party chapter should have at least three official party members. A party chapter with many party members can be divided into party cells. A party cell elects its cell leader or deputy cell leader if necessary. Party cells operate under the guidance of party chapter committees.

2. Party chapter committees lead the implementation of the political tasks of the chapter; educate, manage, and assign tasks to party members; inspect and execute disciplinary measures against party members; and collect and submit party dues. Party chapter committees meet regularly every month.

3. Party chapter congresses are to be convened by party chapter committees every year. If a party chapter does not have a party chapter committee, the party chapter secretary convenes the congress. If agreed by the grass-roots party organizations, a party chapter congress can be organized before or after the set time, but only within three months.

4. Party chapters with under nine official party members will elect a party chapter secretary and a deputy secretary if necessary. Party chapters with more than nine party members will elect a party chapter committee, party chapter secretary, and deputy secretary from among the party chapter committee members.

Chapter VI

Party Organizations in Vietnam People's Army and Vietnam People's

Security Force

Article 25:

1. The party has absolute, direct, and comprehensive leadership over the Vietnam People's Army and Vietnam People's Security Force. It builds the Army and people's security force into forces that are: pure and steadfast in politics, ideology, and organization; loyal absolutely to the party and the fatherland; devoted to serving the people; and being the core force among all the people to firmly protect the Vietnam socialist fatherland, maintain political security and social order and safety, and participate in the national construction undertaking.

2. Party organizations in the Vietnam People's Army and Vietnam People's Security Force operate within the framework of the party platform and statute, party resolutions and directives, and state law.

3. Sections within party committees, within their function, assist the committees in guiding and inspecting party-building work as well as mass mobilization work in the Vietnam People's Army and Vietnam People's Security Force.

Article 26:

1. The Party Central Committee Military Commission (or Central Military Commission for short) consists of members appointed by the Party Central Committee Political Bureau. These members include a number of Party Central Committee members serving in the Army and a number of Party Central Committee members outside the Army. The Central Military Commission is under the leadership of the Party Central Committee or, on a regular basis, of the Political Bureau.

2. The Central Military Commission makes proposals for the Party Central Committee to decide on issues related to national defense and security lines and duties. The commission leads the Army in all aspects.

3. The Political General Department is responsible for party and political work in the entire Army. It operates under the leadership of the Political Bureau, or on a more regular and direct basis, of the Central Military Commission. At each level, the political sections and political cadres are responsible for party and political

work under the leadership of the respective party committee and the guidance of the political section at the next higher level.

Article 27:

1. Party committees in the regular Army and border guard units at each level are elected by the congress at each respective level. These party committees oversee all aspects of all Army units under them. In special circumstances,• the committees are appointed by the party committee at the next higher level.

2. Party committees at the military region level include the comrades working in military region party organizations elected by regional party congresses and comrades who are party committee secretaries from provinces and cities in the military region. The military region party committees lead the implementation of resolutions at the upper levels, national defense duties, and the building of the People's Armed Forces. They also cooperate with local party committees in implementing party lines and policies in the military region.

3. Military party organizations in each locality are under the leadership of the local party committee in every respect. At the same time, they must carry out the resolutions of the upper-level military party committee regarding duties related to all-people national defense and local military affairs. Political sections above the local units cooperate with local party committees in guiding party affairs, political duties, and the mass mobilization work of local armed forces.

4. Military party committees of provinces, cities, districts, precincts, and towns include the comrades working in local military party organizations elected by the party congress of the respective organization, the party committee secretary of the locality, and a number of comrades outside the local military party organization who are appointed by a directive of the Political Bureau.

Article 28:

1. The Party Central Committee Public Security Commission consists of members appointed by the Political Bureau, including some members of the Party Central Committee working in the People's Security Force, some Party Central Committee members outside the People's Security Force, and some comrades working at the Central Public Security Party Organization. The commission is under the leadership of the Party Central Committee or, on a more regular basis, of the Political Bureau. The Central Public Security Commission makes proposals for the Party Central Committee to decide on issues related to political security and social order and safety lines and duties. The commission oversees every aspect of the Public Security Force.

2. Public security party committees at each level are elected by party congresses at each respective level, except in special cases where they will be appointed by the next higher party committee. Party committees oversee all aspects of their respective units.

3. The Public Security Force Building General Department is responsible for party affairs, political duties, and mass mobilization work in units under the leadership of public security party organizations. The general department is under the leadership of the Central Security Commission. The general department also cooperates with local party committees in guiding party affairs, political duties, and the mass mobilization work of local public security forces.

4. The public security force building section at each level is responsible for party affairs, political duties, and mass mobilization work in respective party organizations. It is placed under the leadership of that level's party committee and the guidance of the force-building section of the next higher party organization.

Article 29:

1. Local public security party organizations in a locality are under the direct and comprehensive leadership of the local party committee and, at the same time, are responsible for carrying out the resolutions of the upper-level military party committee on duties related to maintenance of political security and social order and safety. Public security party organizations lead the building up of the people's security force and the pure and steadfast party organizations.

2. Public security party committees of provinces, cities, districts, precincts, and towns are elected by party congresses at each respective level, plus an assigned party standing committee member of the province, city, district, precinct, or town.

Chapter VII

Party Inspection Work and Inspection Committees at Various Levels

Article 30:

1. Inspection is one of the leadership functions of the party. Party organizations must conduct inspection work. Party organizations and party members are liable to party inspection.

2. Party committees at all levels lead inspection work and organize inspection tasks to ensure that party organizations and party members observe the political platform, party statute, and party resolutions and directives.

Article 31:

1. Inspection committees at all levels are elected by the respective party committee, and include some comrades in the party committee and some from the outside.

2. Members of inspection committee at each level, together with the chairman, should be endorsed by the party committee at the next higher level. The transfer of an inspection committee chairman to another position must have the consent of the party committee at the next higher level.

3. Inspection committees operate on the principle of collectiveness under the leadership of the respective party committee and the guidance and inspection of the upper-level inspection committee.

Article 32:

Inspection committees at all levels have the following duties:

1. To inspect party members, including party committee members of the same level who show signs of violating party member standards or party committee member standards while performing party members duties;

2. To inspect party organizations of lower levels where there are signs of violating observation of the party platform, party statute, party resolutions and directives, and the principle of centralized democracy, and to inspect the conduct of inspection work and observation of discipline within the party;

3. To assess and conclude cases of violation of discipline and to decide on or recommend penalty measures to the party committee;

4. To handle denunciations regarding party organizations and party members; to handle complaints regarding observation of party disciplines;

5. To inspect financial work of party committees of lower levels and of finance sections of the same level.

Article 33:

Inspection committees have the right to demand lower-level party organizations and party members to report or supply documents on issues related to the inspection work.

Chapter VIII

Reward and Discipline

Article 34:

Those party organizations or party members demonstrating good performance shall be rewarded as stipulated by the Political Bureau.

Article 35:

1. Stern, appropriate, and timely actions shall be taken against those party organizations or party members found breaching discipline.

2. Forms of disciplinary actions:

— Party organizations may be reprimanded, served with a warning, or dissolved.

— Official party members may be reprimanded, served with a warning, or removed from the party.

— Alternate party members may be reprimanded or served with a warning.

Article 36:

Powers to discipline guilty party members:

1. A party chapter can decide to reprimand a guilty member or serve him with a warning.

A grass-roots party committee can decide to reprimand a member or its subordinate party organization or to serve a warning and to dismiss a lower-level party committee member.

Any grass-roots party committee delegated with the right to grant party membership can remove a party member from the party, provided that the person involved is not a party committee member of the same level or a party member under the management of a higher echelon.

2. Province, city, district, and precinct party committees or corresponding levels can decide on various forms of disciplinary actions against party members and can decide to reprimand or issue a warning to guilty party committee members of the same level.

Party Committee Standing Boards can decide on various forms of disciplinary actions against party members. They can reprimand or issue a warning to any party member who is a cadre under the management of a higher echelon but who is not a party committee member of the same or higher level.

3. The party Central Committee can decide on various forms of disciplinary actions against party members, including those who are members of the party Central Committee itself and the Political Bureau.

The Political Bureau can decide on various forms of disciplinary actions against any party members, including those who are under its own management but who are not members of the party Central Committee.

4. Control commissions from the district, precinct, and corresponding levels upward can decide on various forms of disciplinary actions against any party members, provided they are not party committee members of the

same level. They can also decide to reprimand or issue a warning to those party members who are under the management of the party committees of the same or lower level.

5. Party committees and higher-level control commissions have the right to approve, change, or abolish those forms of disciplinary actions recommended by lower echelons.

6. When facing a dismissal order, a party member holding many positions may have one or more of his positions dismissed, depending on the severity of his offense.

Article 37:

Powers to discipline a guilty party organization:

1. The party committee of a next-higher echelon can decide to reprimand or issue a warning to a lower-echelon party organization.

2. Any disciplinary action calling for the dissolving of a party organization must be recommended by a higher-echelon party committee, and the decision on this must be made by the party committee at the next higher level. Such a decision shall be reported to a higher-echelon party committee and the party Central Committee's Control Commission for Information.

3. A party organization shall be dissolved only when it commits one of the following offenses: acting against party lines or policies or seriously violating the party's organizational and working principles or the state law.

Article 38:

1. If a party organization or a party member is found guilty by an echelon having no jurisdiction to discipline, the echelon concerned shall refer this case to the responsible echelon for a decision.

2. In cases where a lower-echelon party organization refuses to take actions or fails to take appropriate action against a guilty party organization or party member, the higher-echelon party committee or control commission concerned shall, within its capacity, decide on disciplinary measures while looking into the responsibility of the party organization concerned.

3. Any disciplinary measures that call for dissolving a party organization or the removal of a party member from the party shall be recommended by at least two-thirds of the members of the party committee concerned and be decided by a high-echelon authoritative party organization.

Article 39:

1. A guilty party member shall criticize himself before his party chapter and shall propose a form of disciplinary action against himself. If the party member refuses to criticize himself or is under temporary detention, the party organization concerned shall continue to look into the possibility of taking disciplinary action. When necessary, disciplinary measures shall be considered by the responsible party committee or control commission.

2. A guilty party organization shall criticize itself, propose a form of disciplinary action against itself, and report this to its higher-echelon party committee for a decision.

3. Before deciding on disciplinary measures, the responsible party organization shall hear the views presented by the guilty party member or by a representative of the guilty party organization concerned.

4. Any decision taken by a lower echelon regarding disciplinary measures against a guilty party organization or a party member shall be reported to the next higher-echelon party committee and control commission. If a guilty party member participates in many leading party organs, such disciplinary decisions shall be reported to those higher-echelon leadership organs in which that party member serves.

5. Any decision taken by a higher echelon on disciplinary measures against a guilty party organization or party member shall be reported to the lower echelon in which the guilty party organization or party member serves. In cases where there is a need for wide dissemination, the responsible party committee shall make the decision.

6. Disciplinary measures against a guilty party organization or party member shall go into effect as soon as they are promulgated.

7. Any guilty party organization or party member that does not agree with these disciplinary orders can, within one month of the date of receipt of the orders, file a complaint with the higher-echelon party committee or control commission concerned or with the party Central Committee.

The settlement of complaints about disciplinary orders shall be carried out as stipulated by the Political Bureau.

8. Upon receiving a complaint against a disciplinary decision, within three months at the latest, the party committee or control commission concerned shall inform the relevant party organization or party member at the provincial, city, district, precinct, and corresponding level of the receipt of the complaint. The central level shall be informed within six months of receipt of the

complaint at the latest. They shall consider and settle the complaint and answer the complainant concerned.

9. Pending the settlement of their complaints, the party organizations or party members facing disciplinary actions shall continue to scrupulously comply with disciplinary decisions.

Article 40:

1. A party member inflicted with the punishment of undergoing reeducation without detention or harsher punishments must be expelled from the party.

2. When a party organization is disbanded through a disciplinary action, the party committee of the next higher echelon shall set up a new party organization or brief the remaining party members on the activities of the party.

3. A party member who was expelled through a disciplinary action shall not be reelected as a party committee member or appointed to the same or higher position within one year after the disciplinary decision has been made.

4. The termination of activities of a party member, termination of activities of a party committee member, and termination of activities of a party organization must be decided by the party committee or by an authorized control committee in accordance with stipulations of the party Central Committee Political Bureau.

Chapter IX

The Party Leads the State and Political and Mass Organizations

Article 41:

1. The party leads the state and political and mass organizations through its political platform, strategy, policies, and lines; by its ideological tasks, organizations, and cadres; and by its supervision and control.

2. The party recommends qualified cadres for state agencies and political and mass organizations for selection and employment.

3. Party organizations and members working in state agencies and political and mass organizations must seriously implement the resolutions and directives of the party. Party organizations shall supervise the institutionalization of state laws and the objectives of mass organizations and shall ensure the effective implementation of these laws and objectives.

Article 42:

1. In the elected leading agencies of the state, political, and mass organizations at the central, provincial, and municipal levels directly subordinate to the central government, the party committee of the same level shall establish party groups composed of a number of party members to work in those organizations. Wherever such party groups are not established, the basic party organizations of these organizations shall assume the leadership function in accordance with the stipulations of the party Central Committee Political Bureau.

2. A party group is appointed by the party committee of the same level. It has a secretary and, if needed, a deputy secretary. A party group works in accordance with the collective system and is responsible to the party committee.

3. A party group leads and motivates its members in organizations to implement the party lines and policies; maintains close ties with the people; makes recommendations to party committees on the orientations, tasks, organization, and cadres of those organizations; and monitors the implementation of party lines and policies.

4. If need be, party groups can convene a meeting of party members in those organizations to discuss party committee guidelines and measures to implement these guidelines.

Article 43:

1. In the executive and juridical organizations at the central, provincial, and municipal levels directly subordinate to the central government, the party committee of the same level shall establish a party affairs committee to work in those organizations composed of a number of party members. Wherever such party affairs committees are not established, basic party organizations at these organizations shall assume the leadership function in accordance with the stipulations of the party Central Committee Political Bureau.

2. A party affairs committee is appointed by the party committee of the same level. It has a secretary and, if needed, a deputy secretary. A party affairs committee works in accordance with the collective system and is responsible to the party committee.

3. A party affairs committee leads, firmly grasps, and organizes the implementation of the party lines and policies; makes recommendations to party committees on the orientations, tasks, organization, and cadres of those organizations; and monitors the implementation of party lines and policies

Chapter X

The Party Leads the Ho Chi Minh Communist Youth Union

Article 44:

1. The Ho Chi Minh Communist Youth Union is a reliable reserve unit of the party that regularly supplements the party with young forces; carries on the glorious revolutionary cause of the party and President Ho Chi Minh; serves as a core force in the youth movement; and is a socialist school and a representative of the youth's interests. It bears the responsibility for the Ho Chi Minh Vanguard Teenager Unit.

2. Party committees directly supervise youth organizations at the same level on orientations, tasks, ideology, organization, and cadres.

Article 45:

Party members who are still within the age groups of the youth union must perform their activities and work in the youth union organizations.

Chapter XI

Finances of the Party

Article 46:

1. The finances of the party consist of party dues paid by its members, incomes derived from production enterprises and occupational units of the party, the state budget, and other revenues.

2. The party Central Committee Political Bureau will stipulate unified principles and systems for the management of the party's finances, assets, and dues paid by party members.

3. Party committees at all levels will hold an annual meeting to hear reports on and decide the financial tasks of their levels.

Chapter XII

Implementation of the Party Statutes

Article 47:

All party organizations and members must seriously implement the party statutes.

Article 48:

Only the National Congress of Party Delegates is empowered to revise the party statutes.

Australia

Australia: PRC Criticism Over Security Pact With U.S. Noted

BK0708100496 Melbourne Radio Australia in English 0630 GMT 7 Aug 96

[From the "International Report" program]

[FBIS Transcribed Text] Australia's foreign minister, Alexander Downer, has dismissed criticism with China seeing to introduce new security pact between Australia and the United States as a threat. A commentary in the official communist party paper, the PEOPLE'S DAILY, questioned the Howard government's commitment to Asia. In dismissing the criticisms, Mr. Downer, who is currently visiting Malaysia where he has held talks with the prime minister, Dr. Mahathir Mohamed, says there are no problems with the policies of the Howard government. Katherine McGrath, who was travelling with the foreign minister, was asked about Mr. Downer's reaction to the report in the Chinese PEOPLE'S DAILY.

[Begin Recording] [McGrath] He said that their current criticism (?was simply not correct). He said the performance of the government is strong. He made a very, very strong point of the fact that he discussed this with a variety of Asian leaders just last month when he was in Jakarta for the ASEAN conference. Now, at that time he had a bilateral meeting with Qian Qichen, Chinese foreign minister. He said that if the Chinese had any real objections to the new strengthening of bonds between Australia and the U.S., then it would have come up there. He said that he couldn't comment on the Japanese position but as far as Australia was concerned, he made a very strong point that Australia is committed to engagement. He was very quick to rule out any criticism that Australia wanted to contain China. He said that is simply not true. He wanted to push the point that he believed the report wasn't true and this is part of what he had to say.

[Downer] Well, I haven't seen the report but I raised with Qian Qichen, the Chinese foreign minister, the fact that we were going to have discussions with [words indistinct] the United States and that we would develop a security declaration, and he did not object at all to that when I mentioned that to him before the AUSMIN [Australian-U.S. Ministerial] talks took place. But I did go out of my way to make sure I briefed the Chinese in advance and I've said to Qian Qichen privately and I've often said publicly that the Australian Government does not support a policy of containing China. We never have and the previous Australian Government didn't either, and we won't be supporting a policy of containment of China. We support a policy of engagement with China and that is something that I will be able to take forward somewhat when I visit China next month and I think Mr Fischer, as the trade minister and deputy prime minister, will also be visiting China as well.

[McGrath] (?A new report puts out) your claim about the success of the pact between Australia and the U.S. and your claim there is no concern Asia about that [sentenced as heard].

[Downer] Well, I haven't seen a newspaper report. I can't tell you over something a little more profound than a newspaper report. I can tell you about the meeting I had with the Chinese foreign minister and the fact that I did go out of my way to raise it with him so that the Chinese wouldn't be taken by surprise by this issue, and he certainly did not raise any objection to it at all. But let me say that the Australian Government very strongly believes that the United States' engagement in the region is fundamentally important to regional security. We have argued that for a long time, our coalition. The previous Australian Government also shared that view and I'll have to say I think that view is overwhelmingly recognized in the region, articulated in different ways by different countries throughout the region. That is the overwhelming view in the region. [end recording]

Australia: U.S. Helms-Burton Law Said 'Wrong in Principle'

BK0708021596 Melbourne Radio Australia in English 0100 GMT 7 Aug 96

[FBIS Transcribed Text] Australia's deputy prime minister, Tim Fischer, says the United States law which authorizes sanctions against foreign companies trading with Iran and Libya is wrong in principle. The law provides for sanctions against non-American countries investing in the energy industries of the two countries.

Australia's biggest company, BHP, [Broken Hill Proprietary] which was involved in discussions with Iran over a $1 billion [Australian dollars] gas pipeline, is now winding back the talks and says it will abide by the new law.

Mr. Fischer said the law could affect Australia's trade with Iran which last year was Australia's major Middle Eastern trading partner.

[Begin Fischer recording] There is a possibility of doing that. We are opposed to this legislation. Equally, we are opposed to terrorism from any source and that must be dealt with, but this type of approach by the United States is wrong in principle — the extraterritoriality — and it is dubious in terms of its practical effect. Does anyone seriously accuse large Australian, South American, or European companies of being directly involved in terrorism? Of course they don't. [end recording]

Australian, U.S. Responses to Jakarta Crackdown Compared

BK0708055996 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 7 Aug 96

[Editorial: "U.S. Shows Way on Indonesia" — received via Internet]

[FBIS Transcribed Text] Australia's response to the recent military assault on the headquarters of the Indonesian Democratic Party (PDI), and the rioting it triggered, was unimpressive. As THE AUSTRALIAN FINANCIAL REVIEW noted at the time, the minister for foreign affairs, Mr. Alexander Downer, should have been prepared, at the very least, to condemn the Indonesian Government for its excessive use of force. Unfortunately, his cautious response was unleavened by a proper defence of human rights.

The United States, in contrast, has adopted a quite different response, with White House chief of staff Mr. Leon Panetta being the latest member of the U.S. administration to criticise the Indonesian Government for its recent human rights violations. While noting that the U.S. had, to date, limited itself to issuing a protest against the PDI crackdown, he added that it would be prepared to take "more significant steps" if necessary in order to produce changes in Jakarta.

By going so far as to say the White House would consider scrapping the planned sale of F-16 fighter jets, as proposed by Senator Claiborne Pell of Rhode Island, Mr. Panetta made it extremely clear that the U.S. was treating human rights abuse in Indonesia as a matter of serious concern. The same can't be said of Mr. Downer and the rest of the Australian Government.

This is not to suggest that Australia can afford to take quite as firm a line as the U.S. Quite apart from our relative lack of influence, every Australian government is quite rightly constrained by the fact that Indonesia is our most important and most powerful near neighbour. Mr. Panetta in Washington can speak rather more bluntly on this particular issue than Mr. Downer can in Canberra.

Yet while the demands of diplomacy, especially given the extreme fluidity of the political situation in Indonesia, place an understandable constraint on Mr. Downer, he could — and should — have gone further than he has in condemning the use of violence by the Indonesian Government against its political opponents.

Such a stand should have been taken not only in order to demonstrate Australia's fundamental commitment to human rights, but also to ensure that we aren't left diplomatically vulnerable should the present unrest eventually produce a very different, post-Suharto regime. While not likely at this stage, it is a possibility which should be given real weight.

As Geoffrey Barker argued in this newspaper yesterday, the challenge for Australian diplomacy is to ensure that Australia isn't perceived by Indonesia's emerging political groups as being an unequivocal supporter of President Suharto and the rest of his regime. One of the essential prerequisites for meeting this challenge involves standing up for human rights whenever legitimate dissent is silenced by force.

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